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Global service delivery model for the United Nations Secretariat

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the global service delivery model for the United Nations Secretariat (A/71/417). During its consideration of the report, the Advisory Committee met with the representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 21 November 2016.

2. The report of the Secretary-General was submitted pursuant to General Assembly resolution 70/248 A, section XIX, in which the Assembly requested the Secretary-General to provide a refined and detailed proposal on the global service delivery model. The Secretary-General states that his report builds upon the work outlined in his previous report, on the framework for a global service delivery model of the United Nations Secretariat (A/70/323),[1] and takes into account the related decisions of the General Assembly (see resolution 70/248 A), as well as the recommendations of the Advisory Committee in its previous report (A/70/436) and those of oversight bodies.

3. In its resolution 70/248 A, the General Assembly made a number of specific requests regarding the issues to be addressed in the detailed proposal on the global service delivery model, in particular, the need for a business case, including an end-state vision, clear goals and objectives, as well as a detailed cost-benefit analysis and comprehensive baseline information. The Assembly reiterated the importance of ensuring that the global service delivery model fully took into account lessons

[1] Referred to as the "framework report".

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learned and best practices of all ongoing business transformation initiatives so as to maximize benefits, avoid possible duplication and overlap and ensure coherence. The Assembly stressed that the development of the global service delivery model should be limited to the provision of administrative support services and take into account the use of all existing United Nations infrastructure, including that away from Headquarters.

II. General comments and observations

4. The Secretary-General indicates that his report sets out the vision for the global service delivery model and progress on the development of the model, including baseline information and qualitative and quantitative benefits. He also indicates that detailed proposals will be included in the respective budget proposals, subject to the decisions to be taken by the General Assembly on the proposals contained in his report. **The Advisory Committee welcomes the submission of the report of the Secretary-General and the progress made in further developing the proposals for a global service delivery model for the United Nations Secretariat.**

5. In considering the report of the Secretary-General, the Advisory Committee examined the proposals for the development of a global service delivery model in the light of the requests made by the General Assembly in its resolution 70/248 A, as well as the issues emphasized in the previous report of the Committee (A/70/436), on the framework report (A/70/323).

III. Comments and observations on specific aspects

A. Objectives and end-state vision

6. In his report, the Secretary-General indicates that the vision of the global service delivery model is to provide administrative support services that effectively enable the fulfilment of the mandates of the United Nations, guided by the principles of: client orientation and adaptability; service excellence; effective organizational performance management; and the simplification, specialization and consolidation of the future business model (see A/71/417, paras. 2 and 3 and figure I). He also indicates that the global service delivery model will realign the Secretariat's administrative architecture to better distinguish strategic from operational activities and strategic oversight from administrative service delivery, and will also clarify roles and responsibilities and establish the required authority of each entity. The Advisory Committee was also informed that the global service delivery model was a corporate, enterprise-wide reform initiative for the delivery of standardized administrative services across the Secretariat, including peacekeeping and other field-based entities.

7. The Secretary-General proposes a phased approach, with the objective of reaching a minimum number of end-state locations, and also proposes a minimum of two locations with capacity to operate critical functions in order to ensure business continuity in the event that one location becomes temporarily inoperable. He further

proposes a transition phase of initial consolidation in 2018-2019 (phase 1) in order to achieve the end state in 2020-2021 (phase 2) (ibid., para. 18).

B. Scope, methodology and assessment

8. The Secretary-General indicates that, in accordance with section XIX of General Assembly resolution 70/248 A, the development of the global service delivery model is limited to the provision of administrative support services. He also indicates that, in line with the direction set out in the framework report, administrative processes are being reviewed with a view to: (a) simplifying the administrative functions and workflow on the basis of a review of administrative processes, policies, procedures and delegations of authority, and leveraging information and communications technology in the delivery of an end-to-end administrative process; (b) specializing administrative responsibilities under distinct roles, allowing for a greater concentration of expertise and consistency of administrative services, with client entities relinquishing most transactional administrative responsibilities to focus on their core mandates and strategic administrative responsibilities, such as budget formulation, financial management and other management functions; and (c) consolidating administrative capacity across the Secretariat, with transactional administrative services being delivered through shared services centres and expertise-based administrative services provided by centres of excellence.

9. The Secretary-General also indicates that an assessment and categorization of 386 administrative processes, including processes delivered within and outside of the enterprise resource planning system (Umoja), was conducted in early 2016 on the basis of the six-part methodology outlined in the framework report.[2] A summary of the assessment is provided in paragraphs 7-14 of the report of the Secretary-General. The Secretary-General indicates that of the 386 administrative processes assessed, 201 were categorized as "hub" or location-independent, with potential for consolidation into shared service arrangements; 57 were categorized as processes to be performed at headquarters or relating to the provision of strategic direction, formulation of policy, oversight and leadership on stakeholder engagement; and 60 were categorized as local or location-dependent and non-transferable, such as the formulation of budgets, the coordination of audits, staff selection and other management functions. Sixty-eight Umoja Extension 2 processes, which may be considered in the future, were considered to be out of scope. Figure II in the report

[2] The six parts of the methodology are as follows: part 1: location-dependence assessment of administrative processes and categorization as headquarters (strategic direction, formulation of policy, oversight and leadership on stakeholder engagement), hub (processes that are performed locally but have the potential to be partially or fully consolidated, simplified or automated in a shared service environment) or local (location-dependent, non-transferable processes); part 2: assessment of the business impact and difficulty of moving the process to a shared services centre; part 3: mapping of functional roles to the corresponding organizational structures in the Secretariat, in order to identify where functional roles are currently located and quantify the workload expended for each process; part 4: identification of potential sites for consolidated administrative services, taking into account qualitative and cost-benefit considerations; part 5: development of a business case for the global service delivery model; and part 6: development of a risk framework to assess potential risks and articulate a risk mitigation strategy.

of the Secretary-General provides a breakdown of the 386 administrative processes by process owner functional area, as follows: finance (157); corporate services (110); human resources (65); logistics (34); events (11); corporate services/events (5); and information and communications technology (4). The 201 administrative processes categorized as "hub" processes comprise 108 related to finance, 41 to human resources and 52 to corporate services. **The Advisory Committee welcomes the efforts made to conduct a global service delivery model assessment on the basis of the application of the above-mentioned six-part methodology.**

10. In this regard, the Advisory Committee recalls that in its previous report, it emphasized the need for a comprehensive inventory of all processes, with details on their location-dependency status and baseline information, such as the volume of activity, the locations from which the service was provided and related resources, including staffing resources (see A/70/436, para. 27). **The Advisory Committee is of the view that the summary data contained in section IV of the report of the Secretary-General should be revised to include more detailed information on each functional area and process or group of processes, building on the information provided in annex III to the framework report (A/70/323).**[1] **The Committee believes that in order to facilitate consideration of the Secretary-General's proposals for the implementation of a global service delivery model for the United Nations Secretariat, it is essential to provide the General Assembly, at the outset of the project, with a comprehensive and detailed inventory covering the totality of the 201 location-independent processes that can potentially be considered for consolidation into shared service arrangements and clearly identify those that are to be implemented during each phase of the project. In the absence of such an inventory, the scope of the Secretary-General's proposals for a global service delivery model for the United Nations Secretariat is not clear, in particular, the proportion of the existing processes that are covered by the Secretary-General's proposals. Accordingly, the Committee reiterates its earlier recommendations regarding the establishment and presentation of a comprehensive inventory of administrative processes (see A/70/436, para. 27).**

11. **Furthermore, given that the global service delivery model for the United Nations Secretariat is intended to cover the requirements for the delivery of administrative services across the Secretariat, the Advisory Committee stresses the need for a harmonized Secretariat-wide catalogue of processes and groups of processes performed across all duty stations, including field missions. In this regard, the Committee also stresses the need to build on the experience acquired during the implementation of the global field support strategy, in particular, the organization of end-to-end processes into service lines at the Regional Service Centre in Entebbe, Uganda (see A/71/417, paras. 70 (b) and 76; see also A/70/754). The Committee trusts that the Secretary-General will ensure that his proposals are based on a coherent and uniform approach to the**

[1] Annex III to the framework report contains the findings of a preliminary assessment of 347 administrative processes in the form of a table summarizing the list of headquarters, hub and local processes by functional area (finance, human resources, corporate services and logistics and supply chain) and distinguishing between those performed within and those performed outside of Umoja.

delivery of administrative services across all parts of the United Nations Secretariat, including peacekeeping, and thus avoid any duplication and overlap (see General Assembly resolution 70/248 A, sect. XIX, para. 11).

C. Global service delivery model proposals

12. The report of the Secretary-General covers shared services in four areas: (a) human resources administration and payroll; (b) accounts payable; (c) travel, travel claims and ticket payment processing; and (d) procurement. It contains service delivery proposals for the first two areas, and partly for the third area, for implementation in phase I (2018-2019). For travel, travel claims and vendor ticket payment processing, and procurement, it is indicated that a proposal will be submitted in the future. The report also contains proposals for the expansion of shared services to the field and the consolidation of services within existing duty stations. The business case for the global service delivery model and each of the proposals described above is contained in sections V and VI.A of and annex III to the report, and it is indicated that further detailed information will be included in the respective budget proposals. The Advisory Committee comments in paragraphs 30-40 below on the full-time equivalent (FTE)[4] analysis and business case and on baseline information provided in support of the global service delivery model proposals contained in the report of the Secretary-General.

13. In his report, the Secretary-General proposes a phased approach for the implementation of the global service delivery model, including: (a) a first phase, in 2018-2019, for an initial consolidation of three end-to-end processes (human resources, payroll and accounts payable) into six main administrative service providers[5] so as to leverage existing capacity and infrastructure in major regions during the transition phase; and (b) a second phase, in 2020-2021, for achieving the end state of two locations (see para. 7 above). The Secretary-General indicates that three parameters have been established for the initial consolidation in 2018-2019: (a) a redistribution of the workload within the same time zone to the extent possible, taking into account local specificities; (b) a redeployment of resources across duty stations only if the receiving duty station is unable to absorb the additional workload within existing resources; and (c) a mitigation of any movement of resources that would result in increased costs.

[4] The FTE concept is used to convert the hours worked by several staff performing specific functions on a part-time basis into the hours worked by a full-time employee.

[5] The six locations proposed for consolidating service delivery in phase I (2018-2019) include: (a) New York, responsible for all New York-based entities, the Economic Commission for Latin America and the Caribbean, the United Nations Stabilization Mission in Haiti and other field missions in the region; (b) Geneva, responsible for its current clients as well as field offices of the Office for the Coordination of Humanitarian Affairs; (c) Nairobi, responsible for its current clients as well as the Economic Commission for Africa and the Economic and Social Commission for Western Asia; (d) Vienna, responsible for its current clients; (e) Bangkok, responsible for its current clients; and (f) Entebbe, responsible for its current and proposed expanded group of clients, including national staff and individual uniformed personnel.

1. Human resources administration and payroll

14. With regard to human resources administration and payroll (see A/71/417, paras. 21-36), the Secretary-General indicates that: (a) at present, transactions in the areas of human resources administration, entitlements, and consultants and individual contractors are processed by 26 entities; (b) at present, following the implementation of Umoja cluster 5 in November 2016, payroll activities are being carried out in a partially consolidated manner from 10 locations;[6] (c) in the first phase of consolidation (2018-2019), the workload will be distributed among the six locations mentioned in footnote 5, with client support desks in nine locations[7] to maintain close client proximity; (d) in the second phase (2020-2021), it is envisioned that human resources administration and payroll functions can be consolidated globally into two shared services centres, the locations of which have yet to be determined, subject to decisions of the General Assembly; (e) qualitative benefits in phase 1 (2018-2019) include a single point of entry for clients, better-defined governance arrangements and accountability, simplified delegations of authority, consistent and efficient service delivery, business continuity of human resources administration and payroll functions, integration of human resources administration and payroll for field and non-field staff and other personnel, and enhanced standardization of processes; and (f) quantitative benefits consisting of a reduction of 51 FTEs, from 341 to 290, related to the consolidation of services in field operations, can be achieved in 2020-2021 on the basis of the assumption of achieving a 15 per cent reduction (see paras. 36-40 below).

2. Accounts payable

15. With regard to accounts payable (ibid., paras. 37-46), the Secretary-General indicates that: (a) the current service delivery model for processing accounts payable transactions by location, payment type and originating entity is highly decentralized and fragmented, with many staff members (more than 1,000 in the first quarter of 2016) creating or approving accounts payable documents as part of their wider functions, in addition to staff members handling accounts payable transactions on a full-time basis in a number of locations; (b) in the first phase of consolidation (2018-2019), the workload will be distributed among six locations, with client support desks in nine locations to provide client support functions (see para. 14 above); (c) in the second phase (2020-2021), it is envisioned that accounts payable functions can be consolidated globally into two shared services centres, the locations of which have yet to be determined, subject to decisions of the General Assembly; (d) qualitative benefits in phase 1 (2018-2019) include: increased efficiency, quality and timeliness; improved consistency and transparency; optimization of workload distribution; availability of a simple, clear process for the client; and opportunities for achieving economies of scale and further streamlining processes; and (e) quantitative benefits consisting of a reduction of 21 FTEs, from 140 to 119, can be achieved in the second phase (2020-2021) (see paras. 36-40 below).

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[6] Addis Ababa, Bangkok, Beirut, Geneva, Nairobi, New York, Santiago and Vienna, as well as Entebbe and Kuwait for national staff and individual uniformed personnel of field missions.

[7] The client support desks will be set up at the six locations mentioned in footnote 5, as well as in Addis Ababa, Beirut and Santiago.

3. Travel, travel claims and ticket payment processing

16. With regard to travel, travel claims and ticket payment processing (see A/71/417, paras. 47-58), the Secretary-General indicates that: (a) while some steps have been taken to rationalize the decentralized travel structure as part of Umoja deployment,[8] 59 Secretariat entities process travel and over 100 travel agency partners remain; (b) the future travel service delivery model involves the further consolidation and provision of travel services[9] by regional shared services centres and the establishment of a global lump sum team and a global shipment team, as well as some locally retained functions[10] and continued provision of headquarters functions[11] by the Office of Central Support Services and the Office of Programme Planning, Budget and Accounts; (c) in the first phase (2018-2019), the travel processing offices of field missions supported by the Department of Field Support will be consolidated in the Regional Service Centre in Entebbe; consideration will be given to the consolidation or co-location of travel processing offices within the same city, the integration of the vendor ticket payment function with the travel processing offices and the establishment of a global lump sum team and a global shipment team; (d) for the second phase (2020-2021), further assessment, detailed analysis and consultation will be required for the proposed consolidation of travel, travel claims and ticket payment functions into regional shared services centres; and (e) qualitative and quantitative benefits include the maintenance of existing proximity to both clients and vendors, the ability to better address clients' time-critical requirements and benefit from regional vendor contracts and discounts, and increased opportunities to achieve economies of scale and cost reductions while maintaining the flexibility to book non-traditional travel outside of vendor contracts (see paras. 37-41 below; see also para. 47 below).

4. Procurement

17. With regard to procurement (see A/71/417, paras. 59-63), the Secretary-General indicates that: (a) the Organization has a decentralized procurement model with more than 40 distinct procurement operations; (b) the future procurement service delivery model will consist of greater specialization of strategic and operational activities, clarification of roles and authorities, simplification of procedures, increased responsiveness to operational needs and greater consolidation of transactional administrative services, and will aim to leverage global buying power; and (c) the consolidation of procurement functions requires further assessment, detailed analysis and consultation, and a proposal will be submitted for consideration by the General Assembly in the context of a future progress report.

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[8] For example, the travel operations of the Office for the Coordination of Humanitarian Affairs were consolidated in four global hubs and most of the global travel operations of the United Nations Environment Programme and the United Nations Human Settlements Programme were consolidated in Nairobi.

[9] Including airline negotiations with carriers, ticketing through travel agents, vendor ticket payments and the provision of support to travellers and other stakeholders.

[10] Including the approval of non-commercial travel and the provision of travel-related services, such as airport duties, visas, the reporting of personnel changes to the host country, shipment customs clearance assistance and possible conference support.

[11] Including strategic direction, the formulation of policy, oversight and leadership on stakeholder engagement related to travel, travel claims and ticket payment.

5. Expansion of shared services to the field

18. With regard to the expansion of shared services to the field (ibid., paras. 64-71), the Secretary-General indicates that: (a) of the 37 field missions served by the Department of Field Support, the Regional Service Centre in Entebbe provides services[12] to 12 missions, which account for approximately 60 per cent of all civilian and uniformed personnel serving in the field, while the remaining 25 missions are supported through traditional stand-alone mission support or inter-mission cooperation arrangements; (b) for the future service delivery model, it is proposed that the current client base of the Regional Service Centre be expanded to all field operations supported by the Department on the basis of the current model, except for the missions in the Americas region, which will be serviced from the New York location, and that the organizational structure and resourcing be augmented with the additional personnel necessary to support the expanded client base; (c) in phase 1 (2018-2019), an incremental transfer of the administrative support services from the remaining missions to the Regional Service Centre is proposed, subsequent to a readiness assessment of the Centre and missions, which will also serve as an opportunity to review, validate and adjust the current operating model; (d) the role of the Kuwait Joint Support Office will also be reviewed during the first phase, taking into account the further development of the global service delivery model and the transition of the remaining field missions to the Regional Service Centre, as well as disaster recovery and business continuity requirements; (e) for the second phase (2020-2021), it is envisaged that location-independent processes will be aligned with the decisions to be taken as part of the implementation of the global service delivery model, including consolidation globally into two shared services centres for human resources administration, payroll and accounts payable, subject to decisions of the General Assembly; (f) qualitative benefits include improved standardization, consistency and quality control; the timely and efficient provision of support in managing mission start-up, evacuations and drawdown; a reduced number of personnel in insecure environments; and the ability to leverage the Regional Service Centre and its service lines, systems and quality management approaches; and (g) preliminary quantitative benefits are estimated at $11.8 million over a three-year period, taking into account personnel, operational and set-up costs, on the basis of the assumption of achieving efficiency gains of 15 per cent resulting in a reduction in requirements for human resources and finance personnel (see paras. 36-40 below).

19. The Secretary-General indicates that in phase 1, to ensure that administrative support services within missions can be transferred to the Regional Service Centre in Entebbe, a readiness assessment of the Regional Service Centre and missions will be conducted early in the design phase, which will provide an opportunity to review, validate and possibly adjust the current operating model, including ensuring alignment of the model with Umoja and the performance management framework. The Secretary-General states that the transfer of administrative support services will be effected incrementally and will take into consideration factors such as organizational and data readiness, geographical proximity, mission size, field mission budget cycles and phase of a mission (start-up, steady state or drawdown).

[12] Including logistics, information technology and administrative transactional support, including human resources, payroll and travel services.

Furthermore, the role of the Kuwait Joint Support Office will be reviewed, taking into account the further development of the global service delivery model, disaster recovery and business continuity requirements and the above-mentioned transition of field mission services to the Centre. **The Advisory Committee is of the view that the proposals for the expansion of shared services to the field are at a very preliminary stage and have yet to be developed on the basis of the above-mentioned assessment and review.** The Committee provides additional comments on the proposed expansion of shared services to the field in paragraph 46 below. The Committee also comments on peacekeeping locations, including the Kuwait Joint Support Office, in paragraphs 28 and 29 below.

6. Consolidation of services within existing duty stations

20. With regard to the consolidation of administrative services at United Nations Headquarters in New York (see A/71/417, paras. 72-85), the Secretary-General indicates that: (a) at present, the delivery of administrative services in New York is fragmented, with various components delivered by the executive and administrative offices of departments and offices, and other components delivered by offices of the Department of Management in addition to their headquarters functions; (b) as a prerequisite to the consolidation of location-independent processes globally, a shared services centre in New York, organized by service line, will consolidate functions categorized as hub or location-independent, while functions identified as local and strategic to the work programme of each department will be retained within each department and office; (c) in the first phase of consolidation (2018-2019), the shared services centre will consolidate human resources administration and payroll, accounts payable, and travel, travel claims and ticket payment processing and will also integrate any local functions that could benefit from consolidation; (d) in the second phase (2020-2021), location-independent processes will be aligned with decisions to be taken as part of the global service delivery model, including consolidation globally into two shared services centres for human resources administration, payroll and accounts payable, subject to decisions of the General Assembly, with further alignment as the model develops and is implemented across the Secretariat; (e) qualitative benefits expected in phase 1 (2018-2019) include: a single point of entry for administrative support services and client support; further streamlining of business processes; strengthened accountability for end-to-end processes; identification of redundancies in work processes; opportunities to benefit from economies of scale; and realignment of resources to enhance the quality of services provided; and (f) the consolidation of administrative services at Headquarters in New York in the first phase is not expected to result in quantitative benefits (see paras. 36-40 below). The Advisory Committee comments on this proposal in paragraphs 42-46 below.

D. Governance and organizational arrangements

21. As part of the transitional arrangement proposed for the initial consolidation in the biennium 2018-2019, it is proposed that a new subsection be added to section 29 of the proposed programme budget for the biennium 2018-2019 and that the establishment of new shared services centres and client support desks be included under that subsection. In his report, the Secretary-General indicates that the

Under-Secretary-General for Management would be responsible for the development of shared services and accountable for the resources of the new shared services subsection.

22. It is also indicated that the heads of administration of the offices away from Headquarters and the regional commissions, as appropriate, will have dual reporting lines, to their heads of office and to the Under-Secretary-General for Management, for the delivery of administrative services at their respective locations, in line with their delegated authority. **While noting that the above-mentioned reporting arrangements for offices away from Headquarters are proposed for the transition period, the Advisory Committee considers that there is a need for greater clarity on the proposed management structures and dual reporting lines, as well as on organizational and financial implications. Accordingly, the Committee recommends that the General Assembly request the Secretary-General to provide further details and explanations on the management structures and dual reporting lines, as well as on the proposed new subsection under section 29 of the programme budget, in the next progress report.**

23. The Secretary-General indicates that client orientation is one of the guiding principles for the development of the global service delivery model, and that the approach taken is to focus on the delivery of high-quality, timely and standardized administrative services, placing client needs foremost (see also para. 47 below). **The Advisory Committee is of the view that the provision of remote services must include an effective customer relationship management system to track, report and address issues and complaints and take into account feedback from clients, and that such reporting constitutes a key performance indicator for service centres. The Committee trusts that the Secretary-General will provide proposals for the performance management framework for the global service delivery model in his next report.**

E. Funding and cost-sharing arrangements

24. With regard to the resource requirements for the implementation of the project, the Secretary-General indicates in his report that as the global service delivery model encompasses administrative support services across the Secretariat, it should be financed from among the main sources of funds, namely, the regular budget, peacekeeping and extrabudgetary resources. It is proposed that the same percentages that were endorsed by the General Assembly for Umoja in its resolution 63/262 be applied, as follows: 15 per cent from the regular budget; 62 per cent from the support account for peacekeeping operations; and 23 per cent from the special accounts for programme support costs. **The Advisory Committee recommends the approval of the Secretary-General's proposal.**

25. The Advisory Committee is of the view that there is also a need for information on the financing of the services provided by shared services centres once the global service delivery model has been implemented, including on how those services would be costed, and for information on cost recovery arrangements, which would have an impact on the budgets of all sections, field missions and other entities using shared services. **The Advisory Committee recommends that the**

General Assembly request the Secretary-General to include in his next report a proposal for costing and cost recovery of shared services.

F. Location assessment

26. Information on location assessment is provided in paragraphs 92-97 of the report of the Secretary-General. The Secretary-General indicates that a working group was established to assess the following 11 existing Secretariat administrative service providers: United Nations Headquarters (New York), offices away from Headquarters (Nairobi, Geneva and Vienna), regional commissions (Bangkok, Beirut, Addis Ababa and Santiago) and three locations from which shared services are provided for peacekeeping and special political missions (Entebbe, Kuwait and Brindisi, Italy).

27. The Secretary-General also indicates that, as requested by the General Assembly, staff costs were included as one of the criteria in the evaluation of possible locations for shared services centres (ibid., para. 94). Upon enquiry, the Advisory Committee was informed that operational costs varied across locations and that such costs would have to be reviewed in order to provide a comparable approach when the methodology for the assessment was further refined. **The Advisory Committee recommends that the General Assembly request the Secretary-General to also include operational costs as part of the criteria in the evaluation of possible locations for shared services centres.**

28. With regard to the Kuwait Joint Support Office, the Secretary-General indicates that, in addition to providing transactional services to its existing clients,[13] the Office has assumed additional functions, such as: processing off-cycle payments for all non-African missions; processing education grant payments for the United Nations Military Observer Group in India and Pakistan and other missions; and serving as a second Department of Field Support payroll hub to process national staff and payroll for individual uniformed personnel for all the non-African missions as part of the deployment of Umoja cluster 5. **In this connection, the Advisory Committee recalls that, in accordance with General Assembly 70/248 A, any changes to the existing and future service delivery model must be approved by the Assembly.** The Committee also comments on this issue in its main report on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (A/71/595).

29. With regard to Brindisi, the Advisory Committee recalls that, in his report on the budget for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2016 to 30 June 2017 (A/70/779), the Secretary-General indicated that the Logistics Base provided global information and telecommunications technology, logistics and supply chain operational management and enabling support services, including geospatial services, throughout the life cycle of field missions. He also indicated that he would not propose the expansion of shared services at the

[13] The United Nations Assistance Mission in Afghanistan, the United Nations Assistance Mission for Iraq, the Office of the Special Envoy of the Secretary-General for Yemen and the United Nations Regional Centre for Preventive Diplomacy for Central Asia.

Logistics Base for small field missions in the administrative areas of finance, human resources and procurement at this time.

G. Business case

30. In its resolution 70/248 A, the General Assembly made specific requests regarding the business case for the detailed global service delivery model proposal, emphasizing in particular that: (a) the detailed proposal should consist of a business case, including the establishment of an end-state vision, clear goals and objectives, as well as a detailed cost-benefit analysis containing information on qualitative and quantitative benefits; (b) the Secretary-General should support the business case for such a model with comprehensive baseline information on the provision of services for each process; and (c) future proposals related to the global service delivery model, including budget proposals related to qualitative and quantitative benefits from the development and implementation of the model, would be contingent on the presentation by the Secretary-General of clear benefit realization plans containing specific information on potential benefits to be achieved. The Assembly also requested the Secretary-General to review his proposal for taking February 2016 as a baseline for the development of the global service delivery model business case, taking into account the necessary stabilization period for the enterprise resource planning system, Umoja.

31. The Secretary-General indicates that the business case for service delivery proposals in five areas (human resources administration; payroll; accounts payable; the expansion of shared services to the field; and the consolidation of services in New York) is set out in sections V and VI.A of and annex III to his report and that further detailed information will be included in the respective proposals for the proposed programme budget for the biennium 2018-2019. He also indicates that the data provided to support the business case for the three service delivery proposals for human resources administration, payroll, and accounts payable include summaries of: (a) the current-state baseline information, including volume of activity and FTE by location; (b) future-state baseline information, including migration of FTE during phases 1 and 2, by location; and (c) calculation of the estimated preliminary quantitative benefit (see para. 37 below).

32. Information on expected benefits is provided in paragraphs 86 to 91 of the report of the Secretary-General, as well as under the proposals for individual functional areas (see sect. III.C above). With regard to qualitative benefits, the Secretary-General states that the global service delivery model will strengthen end-to-end process management for transactional services; focus on enhanced economy of scale and performance for transactions; improve consistency; increase transparency through the standardization of processes; and reduce the footprint in hardship and hazardous locations. With regard to quantitative benefits, according to the Secretary-General, preliminary baseline information and indicative quantitative benefit analysis as at August 2016 is provided in annex III to his report, and comprehensive baseline information on the provision of services for each functional area will continue to be gathered by the Secretariat, as requested by the General Assembly.

33. With regard to the expected costs of the global service delivery model, the Secretary-General indicates that they will be related to: (a) the design and

implementation of shared services, including project costs; (b) affected staff, including training and relocation costs; and (c) the need to leverage and retain experience and institutional knowledge during the implementation of shared services. He also indicates that detailed costs and quantitative benefits will be included in the respective budget proposals on the basis of the detailed design and implementation plans of each proposal.

34. With regard to baselines, the Secretary-General indicates that the information provided in annex III to his report includes elements such as the volume of transactional activity, the locations from which the service is provided, indicative full-time equivalents (FTEs)[14] and estimates of quantitative benefits as at August 2016.

35. With regard to FTE analysis, the Secretary-General indicates that it provides an estimate of the work effort required for a given volume of activity or activities, based on consistently applied work effort assumptions. He also indicates that a review of the specific positions or funding sources will be carried out in the context of the respective budget proposals for those locations affected in the first phase of implementation of the global service delivery model in 2018-2019. Annex III to the report of the Secretary-General contains baseline information in terms of current and expected future FTE requirements in 2018-2019 for the three end-to-end processes — human resources, payroll and accounts payable — proposed for consolidation in the initial phase (2018-2019), with a breakdown by location.[15] As indicated in paragraph 34 above, the baseline information and quantitative benefit analysis contained in annex III were preliminary as at August 2016 and continue to be updated.

36. The Advisory Committee is of the view that the FTE analysis with respect to the above-mentioned three processes raises a number of questions. For example, in the FTE analysis of the current baseline for human resources administration, reference is made to the number of payrolled staff rather than the number of administered staff, and no data are provided on the volume of activity (number of payrolled staff processed in Entebbe by 24 FTEs). Furthermore, the number of payrolled staff by FTE at each location shows wide variations by location, but no explanation is provided. In addition, in the cases in which data on expected benefits are provided, they are based on a 15 per cent benchmark used in the context of the global field support strategy rather than on actual efficiency gains recorded at the Regional Service Centre in Entebbe, which has been operational and providing shared services for more than six years. The Committee requested further details and updated information on the FTE analysis, but the information requested could not be provided in time for the issuance of the present report.

37. **The Advisory Committee is of the view that the FTE analysis provided in the report of the Secretary-General is very preliminary and that the data quality needs to be improved. Given that the FTE analysis serves as the basis**

[14] In this context, the term "FTE" is used to convert the hours worked by several staff performing specific functions on a part-time basis into the hours worked by a full-time employee.

[15] New York, Geneva, Vienna, Nairobi, Bangkok, Addis Ababa, Beirut, Santiago, Entebbe, Kuwait, Other (field missions and other locations) and Unassigned (transactions that could not be mapped to locations or that are generated by a centralized process).

for the estimation of the baseline information as well as for the estimation of quantitative benefits and efficiency gains, and is therefore a key tool used for building the business case and the cost-benefit analysis, the Committee stresses the need for reliable, accurate and comparable FTE analysis across duty stations. The Committee emphasizes the need for detailed information on the underlying methods and assumptions made in the development of the FTE analysis. The Committee also stresses the importance of ensuring that the FTE analysis for baseline information as well as future analyses on the evolution of the FTE requirements for performing administrative tasks can be measured, compared and verified in a consistent manner over time. Accordingly, the Committee recommends that the General Assembly request the Secretary-General to further deepen his FTE analysis for each of the service delivery proposals and provide updated information in his next progress report.

38. With regard to the request of the General Assembly that the Secretary-General review his proposal for taking February 2016 as a baseline for the development of the business case given the necessary stabilization period for Umoja, the Secretary-General states that, in view of the evolving and dynamic nature of the Organization, the collection of baseline information is considered to be an iterative process and will be repeated periodically to confirm project assumptions and forecasts of annualized transactions and to measure progress and performance. **While recognizing the need to refine the underlying analysis and assumptions of the FTE analysis, the Advisory Committee is of the view that there is a need to set a clear date for establishing the baseline from which to assess progress in the implementation of the global service delivery model project. In this connection, the Committee recalls that the absence of such baseline information has consistently hampered meaningful assessment of progress achieved in the implementation of other major business transformation projects such as Umoja and the global field support strategy.**

39. In this regard, the Advisory Committee recalls that in the framework report, the Secretary-General proposed the establishment of a baseline of February 2016, three months after the roll-out of cluster 4, when Umoja was expected to be stabilized. In his eighth progress report on the enterprise resource planning project (A/71/390), the Secretary-General indicated that the bulk of the improvements required for stabilizing Umoja Foundation and Extension 1 were expected to be completed by the end of 2016. He also indicated that the Umoja solution would continue to be streamlined in order to stay aligned with the global service delivery model initiative. **The Advisory Committee reiterates the importance of determining a clear cut-off date, both for establishing a baseline for the global service delivery model project and for identifying any future changes that may be required to align Umoja and the global service delivery model.**

40. **The Advisory Committee is of the view that the report of the Secretary-General responds only partially to the request of the General Assembly for a business case, a detailed cost-benefit analysis and comprehensive baseline information for each process. From the information contained in the Secretary-General's report, the Committee notes that many of the elements requested by the Assembly, including a fully developed business case with a cost-benefit analysis and comprehensive baseline information which need to be further**

developed are proposed to be included in the budgetary proposals for 2018-2019. However, the Committee is of the opinion that this will result in a fragmented view. The Committee emphasizes that the purpose of the detailed report was to provide the Assembly with a comprehensive proposal and a full picture of a global service delivery model for the United Nations Secretariat, and that a detailed business case including clear baseline information and a cost-benefit analysis is a key element for informed decision-making on proposals that have far-reaching financial and organizational implications.

H. Organizational readiness and risk assessment

41. In its previous report (A/70/436), the Advisory Committee emphasized that the implementation of a new service delivery model would have a significant impact on organizational structures of the United Nations Secretariat, lines of accountability, working methods, processes and procedures. In his report, the Secretary-General indicates that a risk framework is being developed to fully evaluate the appropriate risk tolerances of different clients and operational contexts of a global but differentiated global service delivery model, particularly in field environments. He also provides information on the methodology for the development of the risk framework and general information on risk management.

I. Comments and observations on the service delivery proposals

42. The Advisory Committee notes that the Secretary-General's proposals for the implementation of the first phase of the global service delivery model in 2018-2019 involve changes in the delivery of human resources administration, payroll and accounts payable services across the entire Secretariat, as well as the consolidation of administrative services at Headquarters in New York and the expansion of shared services to the field to provide services to an additional 25 missions. **As indicated in the paragraphs above, the Advisory Committee is of the view that the report of the Secretary-General does not provide complete information for decision-making by the General Assembly and that many of the proposals need further refinement and development.**

43. **Furthermore, given the scale and scope of the proposals, which involve the concurrent implementation Secretariat-wide of shared services for human resources administration, payroll, accounts payable and some travel functions, as well as the expansion of shared services to the field and the consolidation of administrative services at Headquarters in New York, and taking into account also that the proposals are still preliminary and need further development, the Advisory Committee is of the view that there is a need to take into account the capacity of the Organization to implement in parallel another major business transformation initiative. It is also important to ensure that Umoja Foundation and Extension 1 processes will be fully stabilized and operational for the implementation of the global service delivery model. At the same time, the Committee recognizes, as indicated by the Secretary-General, that the global service delivery model is closely interrelated with and is an extension of Umoja, and is required in order to fully realize the potential benefits of Umoja.**

44. With the above considerations in mind, the Advisory Committee believes that it is in the best interest of the Organization to adopt a more sequential approach to the implementation of the first phase of the global service delivery model, with implementation at a limited number of locations rather than at all six locations concurrently. The Committee believes that such a pragmatic approach would allow the Secretariat to fully develop its proposals and also provide an opportunity to test and implement the global service delivery model in a pilot environment. It would also allow the United Nations to absorb more gradually the significant organizational changes that will undoubtedly result from the implementation of a global service delivery model and the consolidation of administrative services across the Secretariat.

45. The Advisory Committee is of the view that, prior to embarking on a major consolidation of administrative services in New York, the global service delivery model should be tested at duty stations such as Geneva and Nairobi, which provide a wide range of services to a large number of clients and have different levels of volume of activity, but where there are a fewer number of offices involved in the provision of administrative support services (see para. 50 below).

46. As indicated in paragraph 19 above, the Advisory Committee is of the view that the proposals regarding the expansion of shared services to the field are at a very preliminary stage, and notes that a readiness assessment of the Regional Service Centre in Entebbe and missions and the review of the Kuwait Joint Support Office are envisaged to be conducted in the early part of the design phase. The Advisory Committee recommends that the Secretary-General be requested to include in the above-mentioned assessment a comprehensive study taking into account the existing service delivery arrangements of the three locations from which shared services are provided for peacekeeping and special political missions (the Regional Service Centre in Entebbe, the Global Service Centre in Brindisi, and Kuwait (see paras. 28 and 29 above)), as well as future needs. The Committee also recommends that the Secretary-General be requested to include in his next report containing a detailed proposal for the global service delivery model a fully developed concept for the expansion of shared services to the field, including a business case and comprehensive baseline information, for consideration by the General Assembly, taking into account the comments and observations in the present report.

J. Lessons learned and cooperation with other entities

47. In its previous report, the Advisory Committee noted that a wide range of shared service arrangements had been implemented by other United Nations system entities, and encouraged the Secretary-General to draw fully upon the experience and expertise acquired and lessons learned in the implementation and use of shared services within the United Nations system. In this connection, the Committee recalls that in paragraph 321 of its report on the United Nations for 2015 (A/71/5 (Vol. I), chap. II), the Board of Auditors emphasized that the Secretariat could benefit from the lessons learned and experience of other United Nations system entities, whose administrative support models included shared services centres, including in the

areas of customer service, performance and governance. The Committee also recalls that in its programme of work for 2016, the Joint Inspection Unit included a review of the delivery of administrative services in selected United Nations system organizations (see A/71/34). **The Advisory Committee continues to encourage the Secretary-General to draw on the lessons learned by other United Nations system organizations that have implemented shared services, and trusts that the Secretary-General will provide an update on this matter in the context of his next progress report on the global service delivery model.**

IV. Resource requirements

Project team

48. The Secretary-General is proposing the establishment, on a temporary basis, of a dedicated global service delivery model project team in the Office of the Under-Secretary-General for Management to continue to develop the detailed global service delivery model, lead all activities related to the detailed design and implementation of the various proposals presented in his report, and support all activities related to the ongoing assessment of processes categorized as "hub" processes. Specific activities of the project team include project management (including change management and communications), the thematic and organizational design of human resources administration, payroll, accounts payable, the shared services centre in New York and the expansion of shared services to the field. The team would be composed of eight positions (1 Principal Officer (D-1), 1 Senior Programme Officer (P-5), 5 Management Officer (P-4) and 1 General Service (Other level)). The additional requirements for the project management team for the period from 1 January to 31 December 2017 amount to $1,708,600, to provide for general temporary assistance for the eight proposed positions ($1,597,200) and related requirements for information technology ($25,160), communications ($5,240) and supplies ($4,000), as well as estimated requirements of $77,000 to provide for travel of the project management team related to the design of shared services centres and the location assessment.

49. **In view of its comments and recommendations in paragraph 45 above regarding the implementation of two instead of the proposed six locations in phase 1 (2018-2019), the Advisory Committee recommends the approval of four of the eight positions proposed for the project team, as follows: one Principal Officer (D-1) and three Management Officer (P-4) positions. The Committee recommends against the approval of the remaining four positions proposed for the project team (1 P-5, 2 P-4 and 1 General Service (Other level)). Any related non-post resources should be adjusted accordingly.**

V. Conclusions and recommendations

50. **The actions requested of the General Assembly are set out in paragraph 137 of the report of the Secretary-General. Subject to its comments and recommendations above, the Advisory Committee recommends that the General Assembly:**

(a) Take note of the report of the Secretary-General;

(b) Invite the Secretary-General to include detailed proposals for the implementation of the service delivery proposals for human resources administration, payroll, and accounts payable for the United Nations Office at Geneva and the United Nations Office at Nairobi in the proposed programme budget for 2018-2019;

(c) Request the Secretary-General to submit for consideration by the General Assembly during its seventy-second session a report on the global service delivery model containing a comprehensive and fully developed proposal.

51. Taking into account the recommendations of the Advisory Committee in paragraphs 25 and 49 above on cost-sharing arrangements and the resource requirements for the project team, the Committee also recommends that the General Assembly:

Programme budget

(a) Appropriate an amount of $143,900 under the programme budget for the biennium 2016-2017 under section 29A, Office of the Under-Secretary-General for Management, representing the regular budget share until 31 December 2017, which would represent a charge against the contingency fund for the biennium 2016-2017;

Support account for peacekeeping operations

(b) Note that resource requirements in the amount of $594,600 will be included in the subsequent requirements for the support account for peacekeeping operations for the financial period from 1 July 2017 to 30 June 2018;

Extrabudgetary resources

(c) Note that requirements in the amount of $220,600 will be funded from extrabudgetary resources in the financial period from 1 January to 31 December 2017.

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Identical letters dated 23 November 2016 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

On instructions from my Government, I transmit to you herewith a statistical table of Israeli violations of Security Council resolution 1701 (2006) committed during the month of October 2016 (see annex).

I should be grateful if the present letter and its annex could be issued as document of the General Assembly, under agenda item 34, and as a document of the Security Council.

(*Signed*) Nawaf **Salam**
Ambassador
Permanent Representative

16-21770 (E) 151216 191216

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Annex to the identical letters dated 23 November 2016 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

Land violations committed in October 2016

Date	*Time*	*Nature of violation*
5 October	1055	Inside occupied Palestinian territory, an Israeli enemy soldier at the Ra's al-Naqurah position pointed a vehicle-mounted machine gun at members of a Lebanese Army patrol.
	1130	Inside occupied Palestinian territory, opposite Labbunah, Israeli enemy personnel at the Labbunah position pointed a vehicle-mounted machine gun towards members of a Lebanese Army patrol. The enemy personnel also made obscene gestures and directed insults in the Arabic language.
8 October	–	At various times, opposite the town of Blida, the Israeli enemy crossed the technical fence between points BP28 and B60 and, using a construction vehicle, proceeded to build a dirt road approximately 200 metres long adjacent to the technical fence between the above-mentioned points. In so doing, the enemy crossed the Blue Line at point BP28 and covered an area approximately 5 metres in depth and 3 metres in width. At 1030 hours, an enemy patrol consisting of two Hummer vehicles arrived from occupied territory. Three personnel disembarked at point BP28, one of whom pointed his weapon towards a Lebanese Army patrol.
	1030	From inside occupied Palestinian territory, opposite the town of Blida, an enemy patrol consisting of two Hummer vehicles arrived from occupied territory. Three personnel disembarked at point BP28 and one of them pointed his weapon towards a Lebanese Army patrol that was inside Lebanon.
11 October	1000	As Lebanese farmers were gathering the olive harvest and pruning olive trees on the outskirts of the town of Aytarun, in the Khillat al-Ghamiqah area near point B56-1, an Israeli enemy patrol comprising two Hummer vehicles and a Defender vehicle arrived, whereupon 10 personnel disembarked from the vehicles and took combat positions. The enemy patrol left at 1130 hours, after the farmers had departed.
16 October	2200-2220	From inside occupied Palestinian territory, opposite the town of Mays al-Jabal near point B64, an enemy soldier disembarked from a Hummer vehicle and pointed a handheld searchlight at Lebanese territory.
	2332	From inside occupied Palestinian territory, on the outskirts of Shab'a town, the Israeli enemy fired a flare shell from its N473 position (the Radar position) over the L341 position (Birkat al-Naqqar) of the Lebanese Army.
18 October	1000	Inside occupied Palestinian territory, opposite the Fatimah gate, an Israeli enemy soldier pointed his weapon at a Lebanese Army patrol and the liaison unit of the United Nations Interim Force in Lebanon (UNIFIL).

Date	*Time*	*Nature of violation*
24 October	1200	Inside occupied Palestinian territory, opposite the Lebanese Army Udaysah checkpoint, an Israeli enemy patrol comprising a Defender vehicle and eight soldiers arrived on the scene and cleared weeds alongside the technical fence. Three of the enemy soldiers pointed their weapons towards Lebanese territory. The enemy patrol left in the direction of occupied territory at 1245 hours.
25 October	0945	Opposite the town of Marwahin, Israeli enemy forces used a trench-digger to clear brush alongside the technical fence between points B24 (2) and B24. The arm of the trench-digger crossed the Blue Line several times, extending approximately one metre each time into Lebanese territory. The Israeli enemy finished its work at 1200 hours, but the trench-digger remained at the location.
26 October	1300	Upon being informed by UNIFIL that the Israeli enemy was claiming that one of its personnel had been fired at from the Lebanese side of the border near point B82, opposite the town of Kafr Killa, a Lebanese Army patrol arrived on the scene in order to investigate. A soldier from the Israeli enemy's army fired two rounds at the Lebanese Army personnel, but no one was hit.
	1330	As a Syrian worker was travelling from Udaysah to Kafr Killa in a Rapid civilian vehicle, the vehicle came under fire from inside occupied Palestinian territory opposite a location where Israeli enemy soldiers were deployed. The vehicle was struck by two bullets, but no one was injured.
31 October	0900	The Israeli enemy continued the work that it had begun on 15 August 2016 inside the occupied Shab'a farms, opposite observation point OP2 of the Indian contingent of UNIFIL, between the old Shal position and the Radar position. The work was carried out by a D9 excavator and two trench-diggers, which were accompanied by an enemy patrol. The Israeli enemy finished work at 1400 hours and the vehicles withdrew in the direction of occupied territory.
	1215	Opposite the town of Blida, between points BP28 and BP29, an Israeli enemy excavator crossed the technical fence and proceeded to build a dirt road approximately 200 metres long adjacent to the technical fence between the above-mentioned points. The excavator's arm extended approximately one metre past the Blue Line at point BP28.

Sea violations committed in October 2016

Date	*Time*	*Nature of violation*
1 October	1800	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011) of 1 October 2011, for a three-minute period, and proceeded on its way for some 370 metres. The launch then left in the direction of occupied Palestinian territorial waters.

Date	Time	Nature of violation
2 October	0840	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 10-minute period, and proceeded on its way for some 345 metres. The launch then left in the direction of occupied Palestinian territorial waters.
3 October	0810	Opposite Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree 6433 (2011), for a two-minute period, and proceeded on its way for some 205 metres. The vessel's crew released an explosive charge and sounded warning sirens inside Lebanese territorial waters. The launch then left in the direction of occupied Palestinian territorial waters.
5 October	1749	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a two-minute period, and proceeded on its way for some 205 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	2300	From inside occupied Palestinian territorial waters, opposite Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for a period of 15 seconds.
6 October	0520	From inside occupied Palestinian territorial waters, opposite Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for a period of 10 seconds.
	1115	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 45-second period, and proceeded on its way for some 351 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	2200	From inside occupied Palestinian territorial waters off Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for a period of 30 seconds and fired four flares over Lebanese territorial waters.
9 October	0508	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a three-minute period, and proceeded on its way for some 425 metres, directing a searchlight towards Lebanese territorial waters, making announcements over loudspeakers in Hebrew and sounding warning sirens. The launch then left in the direction of occupied Palestinian territorial waters.
	0913	Opposite Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011) and proceeded on its way for some 90 metres. It also fired a noise bomb and made announcements over loudspeakers. The launch then left in the direction of occupied Palestinian territorial waters.

Date	Time	Nature of violation
10 October	0931	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 35-minute period, and proceeded on its way for some 370 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	1045	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 35-minute period, and proceeded on its way for some 225 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	1610	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a two-minute period, and proceeded on its way for some 148 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	2310	From inside Palestinian territory, opposite Ra's al-Naqurah, an Israeli enemy military launch opened fire in the direction of Lebanese territorial waters.
	2350	From inside occupied Palestinian territory at its position opposite Ra's al-Naqurah, the Israeli enemy directed a searchlight towards Lebanese territorial waters for a period of one minute.
13 October	0505	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 40-minute period, and proceeded on its way for some 390 metres. The launch then left in the direction of occupied Palestinian territorial waters.
	0505-0519	From inside occupied Palestinian territorial waters off Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for three periods, first for 10 seconds and then twice again for a period of one minute. The vessel's crew also sounded warning sirens and made announcements in Hebrew over loudspeakers.
	0513	From inside occupied Palestinian territorial waters, off Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for a period of one minute. The vessel's crew spoke in Hebrew over loudspeakers and sounded warning sirens.
16 October	1720	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a 10-minute period, and proceeded on its way for some 425 metres. It approached a Lebanese fishing boat that was inside Lebanese territorial waters and launched a noise bomb inside those waters. The launch then left in the direction of occupied Palestinian territorial waters.

Date	Time	Nature of violation
	1725	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a two-minute period, and proceeded on its way for some 480 metres. The launch then left in the direction of occupied Palestinian territorial waters. At 1730 hours, it again violated the boundary, for a one-minute period, and proceeded on its way for some 480 metres. The launch then left in the direction of occupied Palestinian territorial waters. At 1742 hours, it once more violated the boundary, for a three-minute period, and proceeded on its way for some 480 metres. The launch then left in the direction of occupied Palestinian territorial waters.
18 October	1025	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011) and proceeded on its way for some 90 metres. The launch then left in the direction of occupied Palestinian territorial waters.
23 October	1735	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a four-minute period, and proceeded on its way for some 240 metres. The launch then left in the direction of occupied Palestinian territorial waters.
24 October	1727	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a seven-minute period, and proceeded on its way for some 150 metres. The launch then left in the direction of occupied Palestinian territorial waters.
28 October	1708	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a nine-minute period, and proceeded on its way for some 390 metres. The launch then left in the direction of occupied Palestinian territorial waters.
29 October	1045	Off Ra's al-Naqurah, a blue, balloon-shaped plastic object coming from occupied Palestinian territorial waters violated the southern maritime boundary and moved some 300 metres into Lebanese territorial waters.
	1750	Off Ra's al-Naqurah, an Israeli enemy military launch violated the southern maritime boundary established by Decree No. 6433 (2011), for a five-minute period, and proceeded on its way for some 260 metres. The launch then left in the direction of occupied Palestinian territorial waters.
30 October	0600-0800	Off Ra's al-Naqurah, three balloon-shaped plastic objects — one blue, one white and one orange — coming from occupied Palestinian territorial waters violated the southern maritime boundary and moved into Lebanese territorial waters.
31 October	0002-0230	From inside occupied Palestinian territorial waters off Ra's al-Naqurah, an Israeli enemy military launch directed a searchlight towards Lebanese territorial waters for a period of three minutes and then again for 30 seconds.

Air violations committed in October 2016

Date	*Time*	*Nature of violation*
2 October	1030	Two Israeli enemy warplanes violated Lebanese airspace, entering over Rumaysh. They circled over all regions of Lebanon before leaving at 1235 hours over Alma al-Sha'b.
3 October	0555	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut and its suburbs, the Western Bekaa and the South before leaving at 1715 hours over Alma al-Sha'b.
	0955	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq and Baalbek before leaving at 1810 hours over Rumaysh.
4 October	0505	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South and Beirut and its suburbs before leaving at 1610 hours over Naqurah.
	0720	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek, Hirmil, Beirut and its suburbs and the South before leaving at 2030 hours over Naqurah.
	1045	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 1525 hours over Naqurah.
5 October	0505	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1245 hours over Naqurah.
	0755	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1445 hours over Kafr Killa.
	0930	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Baalbek and Riyaq before leaving at 2010 hours over Alma al-Sha'b.
	1915	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Baalbek and Riyaq before leaving at 0430 hours on 6 October over Kafr Killa.
	1930	Four Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 20.45 hours over the sea west of Naqurah.
6 October	0810	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut and its suburbs, Baalbek and Riyaq before leaving at 1655 hours over Kafr Killa.

Date	Time	Nature of violation
	1115	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1500 hours over Alma al-Sha'b.
	1210	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea to the west of Batrun. They circled over all regions of Lebanon before leaving at 1455 hours over Rumaysh.
	1445	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the South and the Western Bekaa before leaving at 2340 hours over Rumaysh.
	1620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Baalbek, Riyaq and Hirmil before leaving at 2320 hours over Alma al-Sha'b.
7 October	0745	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea. They circled over all regions of Lebanon before leaving at 1015 hours over Alma al-Sha'b.
	0935	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Baalbek, Riyaq and Hirmil before leaving at 1730 hours over Rumaysh.
	1320	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over the South before leaving at 1800 hours over Alma al-Sha'b.
8 October	0945	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and Hirmil before leaving at 1905 hours over Kafr Killa.
	1000	An Israeli enemy reconnaissance aircraft violated Lebanese territory, entering over Kafr Killa. It circled over the Western Bekaa, the South, Riyaq, Baalbek and Hirmil before leaving at 1820 hours over Kafr Killa.
	1405	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 2050 hours over Alma al-Sha'b.
9 October	0925	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea west of Batrun. They circled over all regions of Lebanon before leaving at 1140 hours over Naqurah.
	1010	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the Western Bekaa and the South before leaving at 1710 hours over Alma al-Sha'b.

Date	*Time*	*Nature of violation*
10 October	0915	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Aytarun. It circled over the Western Bekaa and the South before leaving at 1215 hours over Rumaysh.
	0940	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and the Western Bekaa before leaving at 1425 hours over Alma al-Sha'b.
	0955	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq and Baalbek before leaving at 2210 hours over Rumaysh.
	1010	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the sea off Sarafand. It circled over the South before leaving at 1515 hours over Rumaysh.
	1045	Two Israeli enemy warplanes violated Lebanese airspace, entering over Alma al-Sha'b. They circled over all regions of Lebanon before leaving at 1200 hours over western Naqurah.
	2115	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and Hirmil before leaving at 0320 hours on 11 October over Alma al-Sha'b.
11 October	0915	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq and Baalbek before leaving at 1715 hours over Alma al-Sha'b.
12 October	0600	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over Riyaq and Baalbek before leaving at 1805 hours over Naqurah.
13 October	0900	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the Shab'a Farms. It circled over Riyaq, Baalbek and the South before leaving at 1830 hours over Alma al-Sha'b.
14 October	1010	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Iqlim al-Kharrub, the South and the Western Bekaa before leaving at 1515 hours over Kafr Killa.
	1325	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq and Baalbek before leaving at 1705 hours over Alma al-Sha'b.
15 October	1245	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and Hirmil before leaving at 1715 hours over Alma al-Sha'b.

Date	Time	Nature of violation
16 October	1010	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and Hirmil before leaving at 1855 hours over Alma al-Sha'b.
17 October	1225	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek and the South before leaving at 1835 hours over Alma al-Sha'b.
	2110	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 0655 hours on 18 October over Naqurah.
18 October	0835	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the Western Bekaa, the South and Beirut and its suburbs before leaving at 1205 hours over Naqurah.
	1240	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over the sea west of Batrun. It circled over Riyaq, Baalbek, Hirmil, Matn and Ba'abda before leaving at 1720 hours over Alma al-Sha'b.
	1900-1930	An Israeli enemy military aircraft operating in occupied airspace fired 11 decoy flares, five of which fell in Lebanese territorial waters.
19 October	1015	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Beirut and its suburbs, Riyaq and Baalbek before leaving at 2215 hours over Alma al-Sha'b.
	1135	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 2015 hours over Rumaysh.
20 October	0605	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Riyaq, Baalbek and Beirut and its suburbs before leaving at 2110 hours over Rumaysh.
	0840	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Riyaq, Baalbek and Beirut and its suburbs before leaving at 1400 hours over Kafr Killa.
	1020	Two Israeli enemy warplanes violated Lebanese airspace, entering over Kafr Killa. They circled over all regions of Lebanon before leaving at 1245 hours over Alma al-Sha'b.
21 October	0800	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Riyaq, Baalbek and Beirut and its suburbs before leaving at 2100 hours over Naqurah.
	0950	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the Western Bekaa and the South before leaving at 1030 hours over Kafr Killa.

Date	*Time*	*Nature of violation*
22 October	1010	Two Israeli enemy warplanes violated Lebanese airspace, entering over Beirut. They circled over all regions of Lebanon before leaving at 1145 hours over Batrun.
	1155	An Israeli enemy reconnaissance aircraft violated Lebanese territory, entering over Kafr Killa. It circled over Riyaq, Baalbek and the Western Bekaa before leaving at 1835 hours over Kafr Killa.
23 October	0755	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Riyaq, Baalbek and the South before leaving at 2010 hours over Rumaysh.
24 October	0810	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Riyaq, Baalbek, Hirmil and the South before leaving at 2010 hours over Aytarun.
25 October	0610	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South and the Western Bekaa before leaving at 2035 hours over Kafr Killa.
26 October	0705	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut and its suburbs, Ba'abda and Juniyah before leaving at 1415 hours over Alma al-Sha'b.
	0800	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over Riyaq, Baalbek, Hirmil, Dinniyah, Ba'abda and Matn before leaving at 1540 hours over Naqurah.
	0805	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South before leaving at 1420 hours over Kafr Killa.
	0910	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut, Iqlim al-Kharrub, Riyaq, Baalbek and the Western Bekaa before leaving at 1700 hours over Alma al-Sha'b.
	1230	Two Israeli enemy warplanes violated Lebanese airspace, entering over Aytarun. They circled over all regions of Lebanon before leaving at 1450 hours over the sea west of Naqurah.
	1650	Four Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Batrun. They circled over all regions of Lebanon before leaving at 1705 hours over Rumaysh.
27 October	0005	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea off Shikka. They circled over all regions of Lebanon before leaving at 0020 hours over Alma al-Sha'b.

Date	*Time*	*Nature of violation*
	0605	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut and its suburbs, the South and the Western Bekaa before leaving at 1320 hours over Naqurah.
29 October	0620	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Rumaysh. It circled over Riyaq and Baalbek before leaving at 1330 hours over Kafr Killa.
	0835	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over Beirut, Iqlim al-Kharrub, the Western Bekaa and the South before leaving at 1355 hours over Kafr Killa.
	1615	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over the South before leaving at 1835 hours over Naqurah.
30 October	0800	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Kafr Killa. It circled over the South and the Western Bekaa before leaving at 1715 hours over Naqurah.
	1115	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Naqurah. It circled over the South, the Western Bekaa, Iqlim al-Kharrub and the Shuf before leaving at 2000 hours over Kafr Killa.
	2010	Two Israeli enemy warplanes violated Lebanese airspace, entering over the sea west of Beirut. They circled over all regions of Lebanon before leaving at 2025 hours over Naqurah.
31 October	0605	An Israeli enemy reconnaissance aircraft violated Lebanese airspace, entering over Alma al-Sha'b. It circled over Riyaq, Baalbek and the South before leaving at 2305 hours over Rumaysh.

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Agenda items 134 and 130

Programme budget for the biennium 2016-2017

Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him

Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him

Programme budget implications of draft resolution A/71/L.25

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/71/14) in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications of draft resolution A/71/L.25. During its consideration of the statement, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 6 December 2016.

2. Under the terms of operative paragraph 1 of draft resolution A/71/L.25, the General Assembly would request the Secretary-General to appoint an eminent person to review the potential new information, including that which may be available from Member States, to assess its probative value, to determine the scope that any further inquiry or investigation should take, and, if possible, to draw conclusions from the investigations already conducted.

3. In paragraph 3 of his statement, the Secretary-General indicates that the tasks of the eminent person are foreseen as follows:

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(a) To review the report of the Commission of Jurists on the Inquiry into the Death of Dag Hammarskjöld (A/68/800, annex) and the information relied on by the Commission in its report, together with any relevant records and information that might be provided by Member States;

(b) To review the report of the Independent Panel of Experts concerning the investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him (see A/70/132) and the information relied on by the Panel in its report, as well as the information subsequently obtained from Member States and individuals, as referred to in the note by the Secretary-General of 17 August 2016 (A/70/1017);

(c) To interview witnesses, if necessary and appropriate;

(d) To produce a report, including a summary of and any findings on new information obtained since the conclusion of the work of the Panel; an assessment of the probative value of that new information; new statements from witnesses and new information obtained, as might be deemed appropriate by the eminent person; and a determination of the scope that any further inquiry should take or, alternatively, conclusions drawn from the investigations already conducted.

II. Resource requirements

4. In paragraph 4 of his statement, the Secretary-General indicates that related resource requirements would amount to $329,300 under section 1, Overall policymaking, direction and coordination, of the programme budget for the biennium 2016-2017, broken down as follows (see A/C.5/71/14, para. 4, and the table thereunder):

(a) An amount of $233,800 under general temporary assistance, for one eminent person (Assistant Secretary-General) and a programme and reporting officer (P-4) for a period of six months each;

(b) An amount of $30,200 for one consultant to provide specialized expertise (forensics and document analysis);

(c) An amount of $57,200 for the travel of staff ;

(d) An amount of $3,500 for contractual services;

(e) An amount of $4,100 for general operating expenses;

(f) An amount of $500 for supplies and materials.

5. In paragraph 5 of his statement, the Secretary-General indicates that no provisions have been made in the programme budget for the biennium 2016-2017 for the implementation of the activities requested under operative paragraph 1 of the draft resolution and that it is not possible to identify activities within the section concerned of the programme budget for the biennium 2016-2017 that could be terminated, deferred, curtailed or modified during the biennium. The Secretary-General states that it is therefore necessary that the additional resources in the amount of $329,300 be provided through an additional appropriation for the biennium 2016-2017.

6. Upon enquiry, the Advisory Committee was provided with a breakdown of the resource requirements under consultants, travel and general operating expenses. The Committee notes that the resources proposed to cover the cost for consultants include the amount of $11,057 for travel of one consultant to New York from an undetermined place of departure and the amount of $4,074 for round-trip travel of one consultant from New York to Johannesburg. **Given that the details of the travel itinerary of one consultant are unclear, the Committee is not convinced that a basis exists for the calculation of the travel resources for the consultant, and recommends a reduction of 10 per cent, in the amount of $3,000. The Committee recommends the approval of the remaining proposed resource requirements, amounting to $326,300.**

7. The Advisory Committee was informed upon enquiry that any resource requirements related to the issuance and publication of the report of the eminent person, as described in paragraph 3 (d) above, would be absorbed and no additional resource requirements would be proposed in that regard.

III. Conclusion

8. **Taking into account its observations set out above, the Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should the Assembly adopt draft resolution A/71/L.25, an additional appropriation of $326,300 would be required under section 1, Overall policymaking, direction and coordination, of the programme budget for the biennium 2016-2017, representing a charge against the contingency fund.**

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Financial reports and audited financial statements, and reports of the Board of Auditors

Financial reports and audited financial statements, and reports of the Board of Auditors: United Nations

Financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2015

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions considered 22 reports, consisting of the financial reports, audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2015 to the General Assembly for 20 entities of the United Nations system; the concise summary of the principal findings and conclusions contained in the reports of the Board for the annual financial period 2015; and advance copies of the reports of the Secretary-General on the implementation of the recommendations of the Board contained in its reports on the United Nations, and the United Nations funds and programmes, for the year ended 31 December 2015. The Committee reflects in separate reports its comments and recommendations on some topics reviewed by the Board of Auditors, namely the global service delivery model for the United Nations Secretariat (A/71/666); the eighth progress report on the enterprise resource planning project (Umoja) (A/71/628); the third annual progress report on the strategic heritage plan of the United Nations Office at Geneva (A/71/622); the fourteenth annual progress report on the implementation of the capital master plan (A/71/541); and the United Nations Joint Staff Pension Fund (A/71/621). A list of the reports considered by the Committee is provided in annex I to the present report.

2. During its consideration of the reports, the Advisory Committee met with the members of the Audit Operations Committee of the Board of Auditors, who

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provided additional information and clarification, concluding with written responses received on 29 November 2016. The Advisory Committee also met with representatives of the Secretary-General to discuss the status of implementation of the Board's recommendations, who provided additional information and clarification, concluding with written responses received on 1 December 2016.

3. The Board of Auditors indicates that the financial statements for the year 2015 of 11 entities[1] were submitted on 31 May 2016, or two months past the usual submission date, owing to challenges associated with the ongoing implementation of the enterprise resource planning system (Umoja). As a result, the Board issued its audit opinions on the financial statements in September and October 2016. The Board also refers to challenges faced in the preparation of financial statements for the operations of the United Nations as reported in volume I and for UNODC (A/71/558, paras. 5 and 8). In this connection, the Advisory Committee was informed by the Board, upon enquiry, that the first set of financial statements for volume I was presented to the Board on 31 May 2016 but contained numerous material errors. A revised set of financial statements was subsequently presented by the Controller of the United Nations on 23 September 2016, following which the Board certified the financial statements for volume I with an unqualified opinion. Upon enquiry, the Committee was informed by the Board that the Under-Secretary-General for Management and the Controller bore the responsibility for delivering timely, high-quality financial statements. The Board also informed the Committee that the Secretariat had expressed its confidence that the financial statements would henceforth be produced using Umoja and that such delays would not reoccur for the financial year 2016.

4. **The Advisory Committee regrets that, unlike the previous two years, the late submission of financial statements by the Secretariat has resulted in the Board not being able to provide its reports for the consideration of the Committee in a timely manner and in all six official languages. The Committee expects that all future reports will once again be provided within the required time frame, in accordance with the Financial Regulations and Rules of the United Nations, so as to allow sufficient time for their consideration by the General Assembly.** The Advisory Committee provides further comments and recommendations on the Board's report on the enterprise resource planning project in the context of its eighth progress report on that subject (A/71/628).

5. **The Advisory Committee continues to find the presentation of the Board of Auditors useful and appreciates the quality of both the concise summary report and the individual audit reports. The Committee again encourages the Board to ensure that its audit reports on the individual entities and topics follow a consistent outline and format to the extent possible, so as to facilitate comparison across different entities.**

[1] United Nations (Vol. I), International Trade Centre (ITC), United Nations Environment Programme (UNEP), United Nations Human Settlements Programme (UN-Habitat), United Nations Institute for Training and Research (UNITAR), United Nations Office on Drugs and Crime (UNODC), United Nations University (UNU), International Criminal Tribunal for Rwanda, International Tribunal for the Former Yugoslavia, International Residual Mechanism for Criminal Tribunals and United Nations Joint Staff Pension Fund.

6. On a related matter, the Committee enquired as to the use of the International Public Sector Accounting Standards (IPSAS) in decision-making processes and was informed by the Secretariat that managers currently received IPSAS-generated information, which could be used to better manage operational areas such as inventory, construction projects, investments and claims against the Organization. Managers were being provided with the training necessary to interpret and apply that information.

II. Audit opinions of the Board of Auditors

7. As noted in paragraph 3 above, the Board issued unqualified audit opinions for all audited entities for the financial period ended 31 December 2015, which was also the case in the previous year, for the period ended 31 December 2014. **The Advisory Committee notes that all entities have received unqualified audit opinions from the Board of Auditors.**

III. Major findings of the Board of Auditors

A. General observations

1. Overall financial situation

8. The Board has concluded that, of the 19 audited entities,[1] 10 entities and the United Nations peacekeeping operations closed the financial year 2015 with a surplus, of which 5 had shown a deficit for the year 2014.[2] Nine entities reported deficits in 2015, of which six had shown a surplus in 2014,[3] owing to factors such as a decrease in contributions, an increase in end-of-service liabilities as a result of IPSAS adoption, and the usage in 2015 of large balances of funds that had been recognized in 2014 (A/71/558, paras. 9-11 and table 1).

9. The Board applies a ratio analysis, as part of its assessment of financial sustainability and liquidity across United Nations entities, of the following ratios: (a) current ratio (current assets to current liabilities), indicating the ability to cover short-term liabilities; (b) solvency ratio (total assets to total liabilities); (c) cash ratio, which measures the amount of cash, cash equivalents and invested funds

[1] The Board indicates that the United Nations Joint Staff Pension Fund is not included because it follows International Accounting Standard 26 for the reporting framework and IPSAS for accounting treatments.

[2] Entities reporting a surplus in 2015 (entities previously reporting a deficit in 2014 are in italics): *International Criminal Tribunal for Rwanda*, *International Tribunal for the Former Yugoslavia*, *Office of the United Nations High Commissioner for Refugees (UNHCR)*, *United Nations Volunteers* (United Nations Population Fund (UNFPA), United Nations Office for Project Services (UNOPS), United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)), *United Nations peacekeeping operations*, UNEP and UNITAR.

[3] Entities reporting a deficit in 2015 (entities previously reporting a surplus in 2014 are in italics): *International Residual Mechanism for Criminal Tribunals*, *United Nations Capital Development Fund*, *United Nations Children's Fund (UNICEF)*, *ITC*, *United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)*, *UN-Habitat*, UNODC, UNU and United Nations Development Programme (UNDP).

which exist to cover current liabilities; and (d) quick ratio, which is another liquidity measure that excludes assets such as inventory stocks, which are more difficult to turn into cash (ibid., table 2).

10. Details of the Board's ratio analysis of the audited entities is contained in paragraphs 12 to 22 of its concise summary report (A/71/558), as well as under the relevant sections in the individual audit reports of the entities. The Board indicates that all 19 entities[1] demonstrated solvency and are able to meet their long-term liabilities, with a ratio of 1:1 considered to be a sound indicator of financial sustainability, but that some entities had lower liquidity ratios. Upon enquiry, the Advisory Committee was informed that the Board did not consider a ratio of 1:1 to be an "ideal" target for all entities but rather a generally sound indicator of financial sustainability, acknowledging that the acceptability of a given ratio depended on the nature of operations of an entity. For example, cash held would normally be interpreted as an indicator of sufficient liquidity but could also raise questions as to whether the entity was optimizing the use of available investment opportunities or whether the implementation of projects for which funds had been earmarked was being delayed.

11. The Board indicates that, compared with 2014, the ratios, overall, of 10 entities have increased from the previous period, namely UNFPA, UNICEF, UNHCR, UNU, UNITAR, United Nations (Vol. I), UN-Habitat, the International Tribunal for the Former Yugoslavia, the International Criminal Tribunal for Rwanda and UNEP, while comparable ratios for UNRWA, UN-Women, the United Nations Capital Development Fund, the International Residual Mechanism for Criminal Tribunals and ITC have declined over the same time period.

12. The Board also examined the financial ratios with respect to the United Nations (Vol. I) and confirmed that the financial situation of the Organization was solid, with sufficient assets to meet short-term and longer-term liabilities, as evidenced in a current ratio of 2.89, a quick ratio of 2.57 and a cash ratio of 1.77. In this connection, the Advisory Committee sought to obtain information on the trends over time showing the evolution of the financial standing of the Organization and was informed that, owing to the implementation of IPSAS in 2014 and the changing baselines, no meaningful trend could be determined at present; however, such information could be provided in the future. **The Advisory Committee would welcome the inclusion of the aforementioned trends on the movement of ratios over time, the correlation between acceptable ratios and the operational nature of an entity, as well as an analysis thereof, in the report of the Board of Auditors on the United Nations (Vol. I), once such information becomes available.**

13. With respect to the International Tribunal for the Former Yugoslavia, the Board indicates that the current ratio has increased to 7.11 in 2015, from 5.30 in 2014, with the analysis showing that the Tribunal had good liquidity ratios to cover its maturing obligations (A/71/5/Add.14, paras. 13-14). Upon enquiry, the Advisory Committee was informed that the approved resources for the Tribunal had declined from $327,472,000 in the biennium 2010-2011 to $191,107,000 in the biennium

[1] The Board indicates that the United Nations Joint Staff Pension Fund was not included in the analysis owing to the differing nature of its operations.

2014-2015 and that the high level of ratios signified a change in the asset-liability ratio, as total current liabilities had decreased by 16 per cent, while current assets had increased by 12 per cent. The Board indicated that those changes were due mainly to the scaling down of the Tribunal's activities leading to its expected closure.

14. Liquidity, however, continued to remain a concern with respect to UNRWA. The Advisory Committee recalls that, for the financial years 2013 and 2014, the Board of Auditors had assessed the financial position of UNRWA as "fair" (A/70/380, para. 10). However, upon enquiry, the Board indicated that, in its view, the financial situation of UNRWA could be described at present as "unstable" and "unpredictable". Specifically, the Board indicates that, while the overall financial ratios at the end of the financial year showed that the Agency was able to meet its maturing current liabilities, the cash-to-current liabilities ratio for the Agency's programme budget,[6] which finances its core activities, was 0.26, indicating insufficient cash to finance current core liabilities. The Board also states that UNRWA had a current ratio of 0.65 in 2015, that is to say $0.65 to finance $1 of outstanding debt, while in comparison, the current ratio had been 3.10 in 2014. Furthermore, the defensive interval ratio indicates that the Agency would be able to operate, without receiving donor funds, for only 142 days in 2015, while in comparison, it would have been able to operate independently for 145 days in 2014 (A/71/5/Add.4, para. 18 and table II.2). The Board also indicates that, although there is a negative net current asset balance for the programme budget, the net current assets of UNRWA amounted to $321.2 million as at 31 December 2015, compared with $349.4 million as at 31 December 2014, indicating positive short-term liquidity. **The Advisory Committee shares the Board's concern that the persistent problems with the unreliability and unpredictability of revenue sources available to the Agency to deliver its core mandated activities continue to be a challenge for UNRWA.**

15. The Board's review of reserves showed different practices in managing reserves. For example, UNFPA sets its minimum operational reserves at 20 per cent of unearmarked resources contribution revenue for each year of its workplan; the United Nations Capital Development Fund at 20 per cent of project commitments; and UNOPS at an equivalent of four months of the average of the administrative expenditure for the past three years of operation, based on the decision of its Executive Board. With respect to UNOPS, the operational reserve requirement for 2015 was $20.1 million but actually amounted to $102.4 million. However, according to the Board, the main purpose of the operational reserves is to provide for temporary deficits, fluctuations or shortfalls in resources, uneven cash flows, unplanned increases in expenses and costs or any other contingencies, and to ensure continuity in the implementation of the projects undertaken by UNOPS.

16. Upon enquiry, the Advisory Committee was informed by the Board that a uniform standard determining reserve levels for United Nations entities would not necessarily be feasible owing to the differing nature of operations, regulations, enterprise resource systems such as Umoja and Atlas, and managing structures. With respect to UNOPS, the Committee was further informed by the Secretariat that, as a self-financing entity, UNOPS relied entirely on its reserves to meet any

[6] Previously known as the General Fund.

requirements arising from contingencies and that it was considered necessary to maintain a high level of reserves to ensure continued operations.

17. **The Advisory Committee concurs with the Board of Auditors that policies and practices with respect to reserves are based on entities' mandates and the nature of their operations and welcomes the Board's continued review of reserve levels and management practices across different entities. In addition, the Advisory Committee continues to note the need for a conservative approach to maintaining reserve levels, particularly for those entities which are funded primarily from voluntary resources and/or have multi-year commitments.**

2. Status of implementation of the Board's recommendations

18. The status of implementation of recommendations for the financial period ended 31 December 2014 is provided in the Board's long-form reports for each of the audited entities, including United Nations peacekeeping operations. A summary is presented in the concise summary report (see A/71/558, paras. 99-102 and annex III). The Board notes that, of 515 recommendations issued up to the year 2014 (and up to June 2015 for United Nations peacekeeping operations), 210 recommendations (or 41 per cent) had been fully implemented, representing a decrease in the rate of implementation compared with the previous periods, which had an implementation rate of 49.6 per cent (2013) and 56 per cent (2012) of past recommendations. The Advisory Committee notes, however, that the IPSAS-mandated annual reporting cycle started only with the current reporting period, which means that implementation statistics from prior periods may not be directly comparable (A/70/380, para. 14).

19. Upon enquiry, the Advisory Committee was informed by the Board of Auditors that the rate of implementation of recommendations had decreased owing to organizational factors such as the demands of implementing Umoja and the length of time needed to change certain policies or introduce controls into the systems. The Board of Auditors also stressed, however, that, in its view, there was a need for a dedicated follow-up mechanism or function that would allocate specific responsibility for the implementation of all recommendations (see also para. 44 below). **The Advisory Committee concurs with the Board that the decrease in the rate of implementation of recommendations is cause for concern and on the need to address outstanding recommendations in a timely manner and emphasizes the importance of the full and timely implementation of the Board's recommendations. In addition, the Advisory Committee is of the view that there is merit to putting into place a dedicated follow-up mechanism to monitor the implementation of the Board's recommendations.**

B. Cross-cutting matters

1. Business transformation

20. The Board summarizes its review of major transformation initiatives in several United Nations organizations in its reports on the individual entities, with particular focus on the United Nations (A/71/5 (Vol. I), chap. II, paras. 313-329). The Board's concise summary report also provides related details on the subject (A/71/558, paras. 91-98).

21. The Board of Auditors acknowledges management's commitment to transformation and notes good progress in initiatives such as IPSAS, Umoja, the global field support strategy and the development of strategies for managing core areas of business, such as information and communications technology. The Board also notes that it has frequently observed that major transformation projects have begun poorly and required significant intervention from senior managers and skilled teams to put them back on track. Other areas, for example the development of anti-fraud strategies (see paras. 24-31 below) or the implementation of results-based management and enterprise risk management, had no implementation plans to measure against, and consequently progress has been slow. The Board concludes that, overall, while important progress is being made, most reform initiatives are late, over budget and are subject to significant changes in scope compared with what was originally approved by Member States (A/71/5 (Vol. I), chap. II, para. 313). **The Advisory Committee concurs with the aforementioned assessment of the Board of Auditors and recalls the Board's recommendation that the Administration establish a formal approach to managing and improving operations and enhance its capability to coordinate ongoing transformation projects (see A/70/380, para. 16).** The Advisory Committee will continue to keep matters relating to the various change initiatives under close review and will provide its observations and recommendations in the context of its periodic reports on each of those topics.

2. Management of travel

22. With respect to matters relating to travel management, the Board of Auditors concluded that the United Nations entities and the funds and programmes had put in place effective measures to minimize travel costs through the use of alternative methods such as the promulgation of policies on advance purchase of tickets, as well as the increased use of teleconferencing and videoconferencing. However, the Board identified some deficiencies, for example with respect to UNRWA, which did not have in place an advance ticket travel purchase policy, and UNICEF, where only 35 per cent of cases adhered to the 14-day advance ticket purchase policy and where instances of delays in the clearance of travel advances were identified (A/71/558, paras. 83-85).

23. Upon enquiry, the Advisory Committee was informed that, based on the data gathered by the Board, it could not form reliable conclusions as to whether entities were incurring reduced travel costs as a result of changes in policies and practices. For example, the Board was unable to obtain sufficient details to assess the impact of the use of videoconferencing with respect to the United Nations (Vol. I). **The Advisory Committee notes with concern that the provision of travel information by the Secretariat has been a recurrent problem, for instance with respect to data on travel patterns (see A/70/7, para. 112). The Advisory Committee trusts that the Board of Auditors will continue its efforts in examining travel expenditures and travel management practices, including the use of alternative means of communication, in the United Nations and across other United Nations entities with a view to ensuring the transparent and efficient use of resources.**

3. Fraud-related matters

24. The review of the Board of Auditors with respect to fraud-related matters is presented in the reports on the respective entities, as well as in the concise summary report (A/71/558, paras. 47-52 and table 5). Upon enquiry, the Advisory Committee was provided with a table showing fraud cases and counter-fraud measures in each of the entities audited by the Board (see annex II to the present report).

25. The Board concluded that overall levels of fraud and presumptive fraud cases had increased, compared with 2014, with respect to United Nations peacekeeping operations, UNDP, UNFPA, UNHCR, UNOPS, UNRWA and UN-Women. For example, United Nations peacekeeping operations reported 52 cases, compared with 39 cases in 2014, and UNDP showed a significant increase from only 7 cases in 2014 to 56 cases in 2015. In comparison, the Board indicates that, for the United Nations (Vol. I), no cases of fraud were reported for the year 2015, compared with two cases in 2014. The Board states furthermore that, in its opinion, the value of fraud cases reported for 2015 is low, as it represents only 0.01 per cent of the total expenses reported by the entities in 2015. The Board shares the view of the Joint Inspection Unit that underreporting and/or non-detection of fraud and presumptive fraud in the United Nations system could be significant and endemic, as the level of fraud reported is unusually low, considering the scale, complexity and high-risk environment (see JIU/REP/2016/4, para. 4).

26. Upon enquiry, the Advisory Committee was informed that the United Nations organizations' representatives in a task force on a common definition relating to fraud and implementing partners established by the High-level Committee on Management were sharing experiences on strengthening the detection and reporting of fraud and presumptive fraud.

27. **The Advisory Committee concurs with the assessment of the Board and is of the view that there may be underreporting of fraud and presumptive fraud in the United Nations system and emphasizes its previously stated concern that the Board was, again, not in a position to provide a level of assurance that the numbers reported and disclosed by management of fraud cases in the United Nations Secretariat for the reporting period were either complete or accurate.**

28. **Furthermore, while acknowledging the initial steps taken by the High-level Committee on Management in sharing information and experiences on this issue, the Committee also expects that the related task force will redouble its efforts to conclude its work in developing clear and consistent guidance on the matter of fraud detection and reporting.**

29. Upon enquiry, the Advisory Committee was informed by the Board that there was a need for each United Nations entity to set up a system to prevent and detect fraud and to develop a cohesive and consistent approach by developing response plans that set out the appropriate arrangements in detecting fraud or dealing with suspected cases of fraud. Such a system should include an integrated counter-fraud strategy focusing on all types of internal and external fraud, with a clear process for developing fraud risk assessments. In this connection, the Advisory Committee was further informed that the Secretariat had established a related working group on the matter but that no definition of presumptive fraud had been agreed during the course of 2015.

30. The Advisory Committee notes that the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat (ST/IC/2016/25) has subsequently been issued, covering a range of fraud-related matters, including preventing, reporting and investigating fraud with respect to United Nations personnel and third parties, such as vendors, non-State donors and implementing partners. **The Advisory Committee welcomes the issuance of the aforementioned Anti-Fraud and Anti-Corruption Framework by the United Nations and looks forward to examining the Board's views on the related document and its application in the context of its next volume I audit report.**

31. **The Advisory Committee continues to stress that a single agreed definition of what constitutes fraud, as well as cases of suspected or presumptive fraud, is essential in order to develop effective counter-fraud policies and to ensure compatibility and comparability of related data across the United Nations system to improve the level of disclosure and transparency of cases vis-à-vis Member States, donors and staff. In this connection, the Advisory Committee reiterates its view that the United Nations System Chief Executives Board for Coordination is best placed to develop guidance in this respect so as to achieve consistent application across all organizations of the United Nations system (see A/70/338, para. 30).**

4. Management of implementing partners

32. The observations and recommendations of the Board of Auditors with respect to implementing partners in United Nations entities are addressed in its reports on the concerned entities, as well as in the concise summary report (A/71/558, paras. 40-46). The Board, in particular, highlights the importance of information-sharing mechanisms among United Nations entities with respect to implementing partners. The Board also notes the example of the Office for the Coordination of Humanitarian Affairs of the Secretariat, which, in the Board's view, has developed a well-designed and comprehensive assurance framework around implementing partners. The Board indicated that there was a need to improve the central oversight and consolidation at Headquarters of the results of the various assurance mechanisms. In this connection, the Advisory Committee was informed, upon enquiry, that the Board expected United Nations entities operating in the same regions and using the same implementing partners to share information on partner performance, fraud, abandonment of work or delivery of substandard work, as well as instances of positive work performance.

33. In this connection, the Advisory Committee was informed, upon enquiry, that the above-mentioned information-sharing mechanism of the High-level Committee on Management task force on implementing partners (see para. 26 above) would adopt common definitions for vendors, implementing partners and grant recipients and review the tools to deal with the issue, including the possibility of utilizing the United Nations Global Marketplace as the information-sharing platform. **The Advisory Committee concurs with the Board on the need for a well-functioning information-sharing mechanism with respect to implementing partners among United Nations entities and trusts that the Board will continue to prioritize this issue in future audits and looks forward to examining the related details in this regard (see also A/70/380, para. 33).**

34. With respect to procurement activities, the Board points to a number of deficiencies and highlights, inter alia, the need to strengthen implementing partners' procurement processes, with respect to UNHCR; cases of delayed deliveries of goods or works and non-recovery of related damages at UNICEF, the International Residual Mechanism for Criminal Tribunals and UNRWA; and cases of inadequate justification of waivers at UNRWA that involved issues such as shortening of tender periods and failure to identify procurement requirements in a timely manner and/or to communicate the results to the procurement and logistics departments.

5. Procurement

35. Matters related to procurement and contract management are covered in the Board's reports on the concerned entities, as well as in the concise summary report (A/71/558, paras. 66-67). In the case of the United Nations Joint Staff Pension Fund, the Board indicates that it noted in 2011 that the Fund had decided to treat the selection of external fund managers as an investment decision rather than a procurement exercise and to have separate guidelines for selecting and evaluating managers of external funds. The Board of Auditors observes that, during the financial year 2015, or after more than four years, the related guidelines were still not finalized. **The Advisory Committee trusts that the Board of Auditors will continue to follow up on the long-awaited finalization of the aforementioned guidelines.**

36. With respect to the United Nations (Vol. I), procurement processes designed to improve value for money were not performed consistently and, therefore, some contracts were not subject to adequate competition or performance management. The Board identified a number of cases of the unjustified use of waivers of the requirement for competitive bidding, for example for proprietary software, maintenance support and related implementation services for an advanced end point security solution; and multiple extensions of contracts, for example for messenger services and information and communications technology equipment (see A/71/5 (Vol. I), chap. II, paras. 220-235). **In this connection, the Advisory Committee continues to stress the need for closer monitoring of compliance to ensure strict adherence to the provisions of the Procurement Manual and other procurement rules and procedures. In this regard, the Committee expects that the Secretary-General will ensure the full implementation of the recommendations of the Board of Auditors (see A/69/809, para. 23).**

6. Global estate management

37. The Board summarizes its review of the Organization's global real estate management in its reports on the individual entities, with a particular focus on the United Nations (Vol. I) (A/71/5 (Vol. I), chap. II, paras. 113-160), and in the concise summary report (A/71/558, paras. 86-90). The Board of Auditors indicates that UNRWA, UNDP, UNFPA, UN-Women and UNU have developed an asset management strategy that includes a maintenance investment plan. The Board also notes that the United Nations (Vol. I) has started to introduce a more strategic approach to managing its global estate, such as conducting the strategic capital review; implementing the Umoja estates management module; introducing a flexible workplace in New York; and producing guidelines for managing capital projects. However, the Advisory Committee was informed, upon enquiry, that the Board

found that no single estate management strategy was in place across the Secretariat, as each estate was managed locally. Furthermore, the Board indicated that none of the duty stations could provide a strategy as to how they intended to manage and improve the estate. The Board also indicated that, in its view, the adoption of such an approach did not need to entail significant additional resources (see A/71/5 (Vol. I), chap. II, paras. 153-154).

C. Issues concerning specific entities

1. United Nations Children's Fund

38. The Board of Auditors indicates that UNICEF has multiple budgets but operates without a single consolidated annual budget comprising all types of funding sources and expenditures. In the Board's view, this could work as an important tool for effective financial control. UNICEF agreed to the Board's recommendation to consider: (a) consolidating at the corporate level an annual integrated budget containing figures from all the budgets approved by the Executive Board; and (b) include budgeted amounts for various activities under each outcome at the appropriate business unit level (A/71/5/Add.3, paras. 10-14).

39. Upon enquiry, the Advisory Committee was informed by the Board that its recommendation would entail the issuance of an "annual integrated budgetary statement", which would consolidate information from the different approved budgets that UNICEF currently maintained. **The Advisory Committee concurs with the Board on the need for a yearly corporate budget summary, in order to provide an overview for all stakeholders and to improve overall clarity and transparency of the Fund's overall resource requirements. The Committee trusts that the Board of Auditors will provide updates, in future reports, on the usefulness of such an annual budget summary.**

40. In its related report, the Board of Auditors again makes recommendations relating to the level of reserves held by the UNICEF National Committees, which, in its view, should be reasonable, taking into account the requirement of funds to be transferred in support of UNICEF activities and programmes. The Board notes, however, that 10 National Committees had maintained reserve retention levels (excluding statutory reserves and earmarked restricted non-statutory reserves) in excess of the stipulation in their respective reserve policies and indicates that this would deprive UNICEF of necessary funds for its programmes (ibid., paras. 41-57). The Advisory Committee was informed upon enquiry that UNICEF had provided guidance on reserve retention policies for National Committees, which were independent entities, and had suggested an appropriate retention benchmark, which had been accepted by the majority of the National Committees. Upon enquiry, the Advisory Committee was informed that the Board was of the opinion that UNICEF could more effectively monitor the retention of reserves by the National Committees through more regular and continuous engagement.

2. United Nations Secretariat

Implementation of recommendations

41. In its follow-up on the status of implementation of extant recommendations by the Secretariat, the Board of Auditors notes that, of 63 recommendations, 6 (9 per cent) had been fully implemented, 22 (35 per cent) were under implementation, 32 (51 per cent) had not been implemented, 2 (3 per cent) had been closed by the Board and 1 (2 per cent) had been overtaken by events (see A/71/5 (Vol. I), chap. II, paras. 8-12). In comparison, for the financial year 2014, of 47 recommendations, 5 (11 per cent) had been fully implemented, 19 (40 per cent) were under implementation, 18 (38 per cent) had not been implemented and 5 (11 per cent) had been closed by the Board (see A/70/5 (Vol. I), chap. II, paras. 9-12). The Board expresses its concern that the Secretariat has made insufficient progress in this regard and expects to see more urgent progress made. The Advisory Committee recalls that, with respect to the financial year 2014, which also showed a low implementation rate, the Board noted that the reduced implementation rate had resulted partly from the high demands placed on the Secretariat by the concurrent implementation and prioritization of major reform initiatives (see A/70/380, para. 37).

42. Upon enquiry, the Advisory Committee was informed by the Board that the Secretary-General had provided three main reasons for the low implementation rate, as follows:

(a) The Board's follow-up on the implementation of its recommendations for the United Nations (Vol. I) was currently conducted annually, after the adoption of IPSAS, instead of biennially, as had been previously done;

(b) Some of the recommendations were of an ongoing nature, as they related to the major transformational projects in progress;

(c) The simultaneous implementation of the Secretary-General's transformation agenda (IPSAS, Umoja, mobility initiatives, global service delivery model, etc.) had placed strong demands on the same group of staff members that would ordinarily also be involved in implementing the Board's recommendations.

43. The Advisory Committee was also informed that, in the Board's view, some recommendations could have been implemented sooner if the Secretariat's actions had been designed to respond more directly to the Board's concerns. The Committee was further informed that there was a need to ensure that recommendations were fully understood, that the Secretariat developed more targeted responses and that it provided greater evidence that progress in implementation was being made.

44. **The Advisory Committee concurs with the Board that the decrease in the rate of implementation of recommendations is cause for concern and emphasizes the importance of the full and timely implementation of the Board's recommendations (see also para. 19 above).**

Annex I

Financial reports, audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2015 and other related reports considered by the Advisory Committee on Administrative and Budgetary Questions

1. United Nations (A/71/5 (Vol. I))
2. International Trade Centre (A/71/5 (Vol. III))
3. United Nations University (A/71/5 (Vol. IV))
4. Capital master plan (A/71/5 (Vol. V))[a]
5. United Nations Development Programme (A/71/5/Add.1)
6. United Nations Capital Development Fund (A/71/5/Add.2)
7. United Nations Children's Fund (A/71/5/Add.3)
8. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/71/5/Add.4)
9. United Nations Institute for Training and Research (A/71/5/Add.5)
10. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/71/5/Add.6)
11. Fund of the United Nations Environment Programme (A/71/5/Add.7)
12. United Nations Population Fund (A/71/5/Add.8)
13. United Nations Human Settlements Programme (A/71/5/Add.9)
14. United Nations Office on Drugs and Crime (A/71/5/Add.10)
15. United Nations Office for Project Services (A/71/5/Add.11)
16. United Nations Entity for Gender Equality and the Empowerment of Women (A/71/5/Add.12)
17. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (A/71/5/Add.13)
18. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/71/5/Add.14)
19. International Residual Mechanism for Criminal Tribunals (A/71/5/Add.15)

[a] Discussed in a separate report of the Advisory Committee

20. Report of the United Nations Joint Staff Pension Fund (A/71/5/Add.16)[a]

21. Fifth annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system [Umoja] (A/71/180)[a]

22. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2015 (A/71/558)

23. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the capital master plan for the year ended 31 December 2015 (A/71/331)

24. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2015 (A/71/331/Add.1)

25. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations for the year ended 31 December 2015 (A/71/331/Add.2)

Annex II

Fraud cases and counter-fraud measures

Entity	Number of fraud and presumptive fraud cases: 2015	Number of fraud and presumptive fraud cases: 2014	Value of fraud cases (thousands of United States dollars): 2015	Amount recovered from fraud losses (thousands of United States dollars): 2015	Has a policy on fraud	Has fraud awareness and training	Has reporting and monitoring mechanism	Has resources allocated for anti-fraud measures and activities	Has investigative capacity and capability	Has mechanism for recovery of damages, losses and assets	Has an adequate strategy in place
United Nations (Vol. I)	–	2	N/A	–	Yes	Yes	Yes	Yes	Yes	Yes	No
United Nations peacekeeping operations	52	39	338	Not reported	Yes	Yes	Yes	No	Uses OIOS	Yes	Yes
ITC	–	–	N/A	N/A	Yes	Limited (given the level of risk)	Yes	No	Uses OIOS	Yes	Yes
United Nations Capital Development Fund	–	–	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNDP	56	7	2 900	56	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNEP	–	2	19	N/A	Yes	Yes			Uses OIOS	No	Yes
UNFPA	26	9	120	Not reported	Yes	Yes	Yes	No	Yes	Yes	Yes
UN-Habitat	1	1	243	3	Yes	No	Yes	No	Uses OIOS	No	Yes
UNICEF	16	38	790	25	Yes	Yes	Yes	No	Yes	Yes	Yes
UNITAR	–	–	N/A	N/A	Yes	No	Yes	No	Uses OIOS	Yes	Yes
UNHCR	12	6	200	–	Yes	Yes	Yes	Yes	Yes	Yes	Yes
United Nations Joint Staff Pension Fund	–	–	–	–	No[a]	Yes	Yes	No	Uses OIOS	Yes	No
UNODC	1	1	–	18	Yes	No	Yes	No	Uses OIOS	Yes	No
UNOPS	47[b]	34[b]	32	5	Yes	Yes	Yes	Yes	Yes	Yes	No
UNRWA	41	11	Not given	Not reported	Yes	Yes	Yes	Yes	Yes	No	Yes
UNU	–	–	N/A	N/A	Yes	Yes	Yes	No	Uses OIOS	Yes	Yes
UN-Women	10	4	Not reported	Not reported	Yes	Yes	Yes	Yes	Yes	Yes	No
International Criminal Tribunal for Rwanda	–	–	N/A	N/A	No	No	Yes	No	Uses OIOS	No	No

Entity	Number of fraud and presumptive fraud cases 2015	2014	Value of fraud cases (thousands of United States dollars) 2015	Amount recovered from fraud losses (thousands of United States dollars) 2015	Has a policy on fraud	Has fraud awareness and training	Has reporting and monitoring mechanism	Has resources allocated for anti-fraud measures and activities	Has investigative capacity and capability	Has mechanism for recovery of damages, losses and assets	Has an adequate strategy in place
International Tribunal for the Former Yugoslavia	—	—	N/A	N/A	Yes	Yes	Yes	No	Uses OIOS	Yes	No
International Residual Mechanism for Criminal Tribunals	—	—	N/A	N/A	Yes	Yes	Yes	No	Uses OIOS	Yes	No
Total			**4 642**	**107**							

Source: Board reports on the individual entities.

Abbreviations: ITC, International Trade Centre; N/A, not applicable; OIOS, Office of Internal Oversight Services; UNDP, United Nations Development Programme; UNEP, United Nations Environment Programme; UNFPA, United Nations Population Fund; UN-Habitat, United Nations Human Settlements Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNITAR, United Nations Institute for Training and Research; UNODC, United Nations Office on Drugs and Crime; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNU, United Nations University; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women.

[a] Relates only to the Investment Management Division.

[b] Between 82 and 89 per cent relate to medical insurance fraud.

United Nations A/71/670

General Assembly

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Seventy-first session
Agenda item 3 (b)
Credentials of representatives to the seventy-first session of the General Assembly

Report of the Credentials Committee

Chair: Mr. Necton D. **Mhura** (Malawi)

1. At its 1st plenary meeting, on 13 September 2016, the General Assembly, in accordance with rule 28 of its rules of procedure, appointed a Credentials Committee for its seventy-first session consisting of the following Member States: Cameroon, China, Malawi, the Netherlands, Paraguay, the Republic of Korea, the Russian Federation, Saint Lucia and the United States of America.

2. The Credentials Committee held one meeting, on 8 December 2016.

3. The Permanent Representative of Malawi to the United Nations, Necton D. Mhura, was unanimously elected Chair.

4. The Committee had before it a memorandum by the Secretary-General dated 8 December 2016 concerning the credentials of representatives of Member States to the seventy-first session of the General Assembly.

5. As noted in paragraph 1 of the memorandum by the Secretary-General, formal credentials issued by the Head of State or Government or by the Minister for Foreign Affairs as required by rule 27 of the rules of procedure of the General Assembly had been submitted by the following 125 Member States in respect of their representatives to the seventy-first session of the Assembly: Albania, Andorra, Angola, Armenia, Australia, Austria, Bahamas, Bangladesh, Barbados, Belarus, Belgium, Belize, Bhutan, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Cambodia, Cameroon, Canada, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Croatia, Cuba, Cyprus, Czechia, Democratic People's Republic of Korea, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Estonia, Fiji, Finland, France, Germany, Grenada, Guatemala, Guinea, Guyana, Honduras, Hungary, Iceland, Indonesia, Iran (Islamic Republic of), Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Liberia, Libya, Liechtenstein, Lithuania, Luxembourg, Malawi, Malta, Mexico, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, New Zealand, Nigeria, Norway, Oman, Pakistan, Paraguay, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian

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Federation, Saint Lucia, Saint Vincent and the Grenadines, San Marino, Senegal, Serbia, Seychelles, Singapore, Slovakia, Slovenia, Solomon Islands, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Tuvalu, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Uzbekistan, Zambia and Zimbabwe.

6. As indicated in paragraph 2 of the memorandum of the Secretary-General, information concerning the appointment of representatives of Members States to the seventy-first session of the General Assembly had been communicated to the Secretary-General by means of a facsimile communication from the Head of State or Government or the Minister for Foreign Affairs, or by means of a letter or note verbale from the Permanent Mission concerned, by the following 68 Member States: Afghanistan, Algeria, Antigua and Barbuda, Argentina, Azerbaijan, Bahrain, Benin, Bolivia (Plurinational State of), Brunei Darussalam, Burundi, Cabo Verde, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Georgia, Ghana, Greece, Guinea-Bissau, Haiti, India, Iraq, Kiribati, Lao People's Democratic Republic, Latvia, Lesotho, Madagascar, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia (Federated States of), Nauru, Netherlands, Nicaragua, Niger, Palau, Panama, Papua New Guinea, Peru, Philippines, Rwanda, Saint Kitts and Nevis, Samoa, Sao Tome and Principe, Saudi Arabia, Sierra Leone, Somalia, South Africa, South Sudan, Swaziland, Tajikistan, Timor-Leste, Uganda, United Republic of Tanzania, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam and Yemen.

7. The Chair recommended that the Committee accept the credentials of the representatives of all Member States mentioned in the memorandum of the Secretary-General, on the understanding that formal credentials for representatives of the Member States referred to in paragraph 6 of the present report would be communicated to the Secretary-General as soon as possible.

8. The Chair proposed the following draft resolution for adoption by the Committee:

The Credentials Committee,

Having examined the credentials of the representatives to the seventy-first session of the General Assembly,

Accepts the credentials of the representatives of the Member States referred to in paragraphs 1 and 2 of the memorandum of the Secretary-General.

9. The draft resolution proposed by the Chair was adopted without a vote.

10. The Chair then proposed that the Committee recommend to the General Assembly the adoption of a draft resolution entitled "Credentials of representatives to the seventy-first session of the General Assembly" (see para. 12). The proposal was adopted without a vote.

11. In the light of the foregoing, the present report is submitted to the General Assembly.

Recommendation of the Credentials Committee

12. The Credentials Committee recommends to the General Assembly the adoption of the following draft resolution:

Credentials of representatives to the seventy-first session of the General Assembly

The General Assembly,

Having considered the report of the Credentials Committee[1] and the recommendation contained therein,

Approves the report of the Credentials Committee.

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[1] A/71/670.

United Nations A/71/671

General Assembly

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Seventy-first session
Agenda items 146, 147 and 148

Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Financing of the International Residual Mechanism for Criminal Tribunals

Final performance report on the budget of the International Criminal Tribunal for Rwanda and first performance reports of the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals for the biennium 2016-2017

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the final performance report on the budget of the International Criminal Tribunal for Rwanda for the biennium 2016-2017: liquidation (A/71/577), the first performance report of the International Tribunal for the Former Yugoslavia for the biennium 2016-2017 (A/71/578) and the first performance report of the International Residual Mechanism for Criminal Tribunals for the biennium 2016-2017 (A/71/579). During its consideration of the reports, the Committee met with

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representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 2 December 2016.

II. International Criminal Tribunal for Rwanda

2. By its resolution 70/241, the General Assembly appropriated to the Special Account for the International Criminal Tribunal for Rwanda a total amount of $2,086,100 for the biennium 2016-2017 for the liquidation activities of the Tribunal during 2016.

3. The Secretary-General indicates in his report that the liquidation of the International Criminal Tribunal for Rwanda was initially expected to be completed by 31 May 2016. Activities included preparation of financial statements, support to the external auditors, disposal of assets, repatriation of personnel, processing of final entitlements, settlement of liabilities, recovery of receivables and repair and hand-over of premises. The report also indicates, however, that the liquidation process has experienced some delays necessitating an extension of two months to allow the completion of pending activities and ensure the final closure of the Tribunal (A/71/577, para. 4).

4. The Secretary-General also indicates that the estimated final level of expenditures for the International Criminal Tribunal for Rwanda for the biennium 2016-2017 amounts to $5,812,800, reflecting an increase of $3,726,700 (or 179 per cent) from the approved appropriation (A/71/577, para. 5). **The Advisory Committee notes with concern that the estimated final level of expenditure of the Tribunal will be almost three times as much as the level of the appropriation.**

5. Specifically, the projected variances by object of expenditure show significant increases under other staff costs amounting to $3,304,400. These increases are attributable to the following additional costs:

(a) Separation entitlements amounting to $1,753,000 in respect of the separation of Tribunal staff members who were separated during the biennium 2014-2015 and of the liquidation team during 2016. Upon enquiry, the Advisory Committee was informed that an amount of $3.2 million had been budgeted in 2015 for this purpose; however, the provision turned out to be insufficient owing to increased actual costs of entitlements. According to the Secretary-General, an inaccurate forecast of the requirements contributed to the overexpenditure;

(b) Education grant advances amounting to $1,177,500. The Advisory Committee was informed upon enquiry that this increase reflects the settlement of 2015 education grant advances against the 2016 budget for approximately 61 former Tribunal staff members for the 2015/16 scholastic year, for which no specific provision had been made in either the 2014-2015 budget or the 2016 liquidation budget. It was explained that education grant advances had been approved for the entire 2015/16 school year when the majority of the concerned staff members had in fact been separated by the end of 2015;

(c) Extension of the liquidation period by two months, from the end of May to the end of July 2016, amounting to $373,900. Upon enquiry, the Advisory

Committee was informed that a total of 14 positions were extended in June 2016 and 9 positions in July 2016, resulting in a total of 23 additional work-months and increased staff costs.

6. **The Advisory Committee considers that the inaccurate forecast of the requirements related to the education grant advances and the separation entitlements demonstrates weak management and a lack of internal control and accountability.**

7. The report of the Secretary-General also indicates increases under general operating expenses in the net amount of $172,900, which are mainly attributable to the write-off of long outstanding receivables (ibid., para. 10). Upon enquiry, the Advisory Committee was informed that the amount included over $200,000 relating to value added tax claims not submitted and excise tax erroneously paid to vendors, and nearly $65,000 in non-recoverable salaries and other entitlements paid to former staff members. The Committee was also informed that some of the cases of overpayment had been pending for several years prior to the liquidation of the Tribunal.

8. **The Advisory Committee regrets the magnitude of the write-offs and overpayments, which, in its view, could have been partially avoided, and considers that measures should have been in place to ensure their prompt recovery prior to the Tribunal's liquidation and anticipated separation of staff. The Committee is of the view that this again demonstrates weak management and a lack of internal control and accountability. Moreover, reporting of non-recoverable receivables only at the time of the liquidation limits the Organization's ability to take corrective measures, including ensuring appropriate steps to hold responsible officials accountable. The Committee recommends that the General Assembly request the Secretary-General to take the necessary steps to prevent the recurrence of any erroneous payments in the future and to ensure that lessons learned from the liquidation of the International Criminal Tribunal for Rwanda are applied in future liquidation processes.**

9. The Secretary-General further indicates that the requirements for travel increased by $13,800 in 2016. According to the Secretary-General, this increase is mainly attributable to the increased costs of air tickets for three missions undertaken by Tribunal staff to New York in connection with the liquidation (A/71/577, para. 8). Upon enquiry, the Advisory Committee was informed that at the time of the preparation of the 2016 liquidation budget, the average cost of a round trip ticket from the United Republic of Tanzania to New York City was estimated at $6,500 per trip. The average cost per trip, however, actually amounted to approximately $9,500. In this connection, the Committee was also informed that two of the three air tickets were booked in accordance with the prescribed advance booking policy. **While recognizing that airfares fluctuate, the Committee reiterates its views relating to the judicious use of travel resources, in particular its view that the primary consideration in authorizing official travel should be whether direct face-to-face contact is necessary for mandate implementation. The Committee also reiterates the importance of complying with the policy of advance ticket booking, to the greatest extent possible, as a means to limit travel costs (see also A/70/7, paras. 108 and 114).**

10. With regard to the decision to extend the liquidation period of the International Criminal Tribunal for Rwanda from 1 June to 31 July 2016, the Advisory Committee recalls that in its resolution 70/241, the General Assembly noted that the liquidation was estimated to be completed in five months, beginning on 1 January 2016, and encouraged the Secretary-General to ensure that the liquidation activities were completed in a timely manner (resolution 70/241, section II, para. 5). Upon enquiry, the Advisory Committee was informed that, according to the Secretary-General, the five-month period to complete the liquidation of the Tribunal was a best estimate allowing to continue dealing with the pending liquidation activities at the end of the estimated period, given that not doing so would have left a considerable amount of liquidation tasks unfinished. **The Advisory Committee notes with regret that the explanations provided for extending the duration of the Tribunal's liquidation phase, and on the related overexpenditures, had not been made known to the General Assembly until the latest report of the Secretary-General (A/71/577), issued in November 2016, while the decision to extend the liquidation period had been taken much earlier in the year. The Committee considers that as a matter of standard practice, information on any significant difficulties encountered by the Secretary-General in the liquidation of United Nations entities should be provided to the Assembly as soon as these difficulties become apparent to facilitate the implementation of corrective measures and to protect the resources of the Organization.**

11. The Secretary-General proposes to transfer and to charge the additional expenditures for the International Criminal Tribunal for Rwanda ($3,726,700), and further expenditures if any, to the budget of the International Residual Mechanism for Criminal Tribunals (the Residual Mechanism) for the biennium 2016-2017, in excess of its initial appropriation. This transfer is proposed to be reported in the context of the second performance report of the Residual Mechanism (A/71/577, para. 5). Upon enquiry, the Advisory Committee was informed that the Secretary-General requests approval for the transfer and charge of the above-mentioned overexpenditure on the basis of Security Council resolution 1966 (2010), in paragraph 4 of which the Council decided that, as of the commencement date of each of its branches, the Residual Mechanism would continue the jurisdiction, rights and obligations and essential functions of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda. All contracts and international agreements concluded by the United Nations in relation to the Tribunals and still in force as of the relevant commencement date, would continue in force mutatis mutandis in relation to the Residual Mechanism.

12. The actions to be taken by the General Assembly are set out in paragraph 13 of the Secretary-General's report (A/71/577). **Subject to its comments and recommendations above, the Advisory Committee recommends that the Assembly:**

(a) **Approve the final appropriation for the International Criminal Tribunal for Rwanda for the biennium 2016-2017 in the amount of $2,086,100 gross ($1,978,800 net) as initially appropriated by the Assembly in resolution 70/241;**

(b) **Approve the transfer and charge of $3,726,700 gross ($3,466,000 net) as part of the estimated final expenditure, and further expenditures, if any, in**

excess of the approved appropriation for that purpose, under the 2016-2017 budget for the International Residual Mechanism for Criminal Tribunals, to be reported in the context of the second performance report on the budget of the Mechanism.

III. International Tribunal for the Former Yugoslavia

13. The projected variances described in the report of the Secretary-General (A/71/578) show increases related to: (a) exchange rates in the amount of $3,798,700, which is attributable mainly to the weakening of the United States dollar against the euro; and (b) adjustments of the standard salary and common staff costs amounting to $345,900. **The Advisory Committee trusts that the most recent figure will be used to determine the forecasted exchange rates and that relevant information will be provided to the General Assembly at the time of the consideration of the present report.**

14. The Secretary-General's report indicates that the projected variances also include decreases related to: (a) inflation assumptions in the amount of $1,076,600, which are based on the post adjustment multipliers for Professional and higher categories of staff in 2016 to date, the actual versus budgeted cost-of-living adjustments for General Service and related categories of staff in 2016 and projections for 2017, and the latest available information on consumer prices in The Hague; and (b) higher actual vacancy rates than projected, resulting in a decrease amounting to $751,100.

15. The actions to be taken by the General Assembly are contained in paragraph 11 of the report (A/71/578). **Subject to the information to be provided to the General Assembly (see para. 13 above), the Advisory Committee recommends that the Assembly:**

(a) **Take note of the report of the Secretary-General (A/71/578);**

(b) **Approve a revised appropriation for the International Tribunal for the Former Yugoslavia for the biennium 2016-2017 in the amount of $98,064,000 gross ($86,737,900 net), reflecting an increase of $2,316,900 gross ($1,893,300 net).**

IV. International Residual Mechanism for Criminal Tribunals

16. By its resolution 70/243, the General Assembly appropriated to the special account for the International Residual Mechanism for Criminal Tribunals a total amount of $137,404,200 for the biennium 2016-2017. The Secretary-General indicates that technical adjustments would result in a decrease in requirements amounting to $1,656,500. The revised appropriation for the biennium 2016-2017 would amount to $135,747,700.

17. The projected variances show decreases in relation to: (a) inflation assumptions in the amount of $788,300, which is attributable to the projected inflation rates in Arusha and The Hague. The decreased requirements relate mainly to non-post objects of expenditures owing to lower than expected inflation rates.

(b) standard salary and common staff costs amounting to $3,728,000, which reflects actual payroll average salary costs of Professional and Field Service categories ($1.7 million), and common staff costs ($2.0 million), because of reductions in appointment costs and hardship and mobility allowances, offset in part by increases under medical insurance premiums.

18. The projected variances described in the report of the Secretary-General show increases related to: (a) exchange rates in the amount of $1,781,600, which is attributable mainly to the depreciation of the United States dollar against the euro, and is partly offset by appreciation of the United States dollar against the Tanzanian shilling; and (b) actual vacancy rates that were lower than projected resulting in an increase amounting to $1,078,200.

19. The actions to be taken by the General Assembly are contained in paragraph 12 of the report of the Secretary-General (A/71/579). **The Advisory Committee recommends that the Assembly:**

(a) **Take note of the report of the Secretary-General (A/71/579);**

(b) **Approve a revised appropriation for the International Residual Mechanism for Criminal Tribunals for the biennium 2016-2017 in the amount of $135,747,700 gross ($125,153,500 net), reflecting a decrease of $1,656,500 gross ($1,791,800 net).**

United Nations A/71/672 S/2016/1042

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Seventy-first session
Agenda item 61
Peacebuilding and sustaining peace

Security Council
Seventy-first year

Letter dated 8 December 2016 from the Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General

With regard to my letter dated 5 December 2016 (see annex), in which I request your kind clarification on the questions about the legal basis of the Security Council's "sanctions resolutions" raised in my previous letter, I would hereby like to draw your kind attention once again to this issue and await the answers to be given at your earliest convenience.

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 61, and of the Security Council.

(*Signed*) **Ja** Song Nam
Ambassador
Permanent Representative

16-21845 (E) 151216

Please recycle

Annex to the letter dated 8 December 2016 from the Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General

Letter dated 5 December 2016 from the Ambassador and Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General

On 30 November 2016, the Security Council adopted its "resolution" 2321 (2016), misleadingly denouncing the self-defensive detonation test of a nuclear warhead of the Democratic People's Republic of Korea (DPRK) as a "threat to international peace and security".

The adoption of "resolution" 2321 (2016) is merely another act of abuse of power and flagrant infringement of the sovereignty, entirely denying the exercise of the right to self-defence, which is the absolute legitimate right, of the DPRK, and therefore the DPRK rejects it categorically.

As already clarified, the detonation test of the nuclear warhead conducted last September by the DPRK is part of the practical countermeasures taken in the face of the nuclear blackmail of the United States and the hostile forces against the DPRK, while demonstrating the firmest will of our service personnel and people to counter-attack any type of adversary in case of any provocation.

The Security Council does not have any authority to question the nuclear test and ballistic rocket launches of the DPRK, which were conducted to tackle the nuclear blackmail and the rackets of sanctions of the United States, nor is there any single article in the Charter of the United Nations or international law which stipulates that nuclear tests and ballistic rocket launches constitute a threat to international peace and security.

Nevertheless, the Security Council, overpowered by the high-handedness, arbitrariness and coercive assertions of the United States, determined that the self-defensive nuclear test and ballistic rocket launches of the DPRK were a "threat to international peace and security".

Therefore, it can be concluded that the Security Council has gone beyond its powers, lost impartiality, which is vital for international organizations, and committed an act of double standards by behaving trickily through the application of Chapter 7, Article 39, of the Charter, which stipulates that the Security Council shall determine the existence of any threat to international peace and security before taking any action on sanctions.

If the nuclear test and ballistic rocket launches of the DPRK were considered to be a "threat to international peace and security", then why have the nuclear tests and ballistic missile launches conducted thousands of times by the nuclear Powers, including the United States, not been questioned as "threats to international peace and security"?

In my previous letter to you dated 23 May 2016 (A/70/897-S/2016/465), I clearly pointed out that there were too many serious legal contradictions to be

overlooked in the Security Council's "sanctions resolutions" against the DPRK and kindly requested you to clarify the question.

The fact that the United Nations Secretariat is not giving any response to the letter, although over six months have passed since then, is a clear indication that the Security Council "sanctions resolutions" against the DPRK are only illegal and illegitimate fabrications, based strictly on the interests and behind-the-scenes manoeuvring of the United States.

Regarding the question raised by the DPRK in my previous letter, I kindly urge the United Nations Secretariat to give an answer which is responsible and impartial, in such a manner that can convince the international community and in conformity with the mission of the United Nations for international peace and security.

(*Signed*) **Ja** Song Nam
Ambassador
Permanent Representative

United Nations A/71/673

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Seventy-first session
Agenda item 68 (c)
Promotion and protection of human rights: human rights situations and reports of special rapporteurs and representatives

Letter dated 2 December 2016 from the Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a text of the Open Questionnaire to the United Nations issued by the Korean Institute for the Research of Human Rights of the Democratic People's Republic of Korea (DPRK) on 23 November 2016 with regard to a "resolution on the situation of human rights in the DPRK" railroaded in the Third Committee of the seventy-first session of the General Assembly of the United Nations on 15 November 2016 (see annex).

I would be grateful if you would have the present letter and its annex circulated as a document under agenda item 68 (c) of the seventy-first session of the General Assembly and send a document of answers of the United Nations to the Open Questionnaire to the Permanent Mission of the DPRK to the United Nations.

(*Signed*) **Ja** Song Nam
Ambassador
Permanent Representative

16-21890 (E) 141216

Please recycle

Annex to the letter dated 2 December 2016 from the Permanent Representative of the Democratic People's Republic of Korea to the United Nations addressed to the Secretary-General

Know about the genuine human rights situation in the DPRK, most advantageous in the world, and put an immediate stop to the mean tricky farce

Open Questionnaire to the United Nations

With the reckless anti-DPRK "sanctions" fever of the US-led hostile forces and their mean tricky farces going to the extreme, the Third Committee of the seventy-first session of the United Nations General Assembly railroaded on 15 November a "resolution on the situation of human rights in the Democratic People's Republic of Korea".

That the US, some EU countries following it, the Japanese reactionaries and other riff-raff adopted another "resolution on the situation of human rights in the DPRK", claiming "accountability of the DPRK leadership for human rights violation", "grave concern about nuclear and missile development in disregard of the people's living" and "violation of the rights of workers sent abroad", is an unpardonable violation of the sovereignty of the DPRK and a grave act of State-sponsored terrorism aimed at overthrowing its system.

In particular, they even maliciously hurt, by abusing the United Nations, the supreme dignity of the DPRK, which all its service personnel and people regard as the whole of their life, destiny and future. This is an act of A-class provocation which deserves a resolute and merciless punishment.

It has been confirmed once again that the United Nations, an international organization that is duty-bound to respect in every way possible the sovereignty and interests of countries and nations, has lost international justice, impartiality and objectivity and been reduced to an instrument of high-handedness and arbitrariness committed by the US-led foul and hostile forces.

We ask the United Nations.

Has it ever made an effort, even to the slightest degree, to learn about the truth before discussing willy-nilly the "human rights issue in the DPRK", which is run through with preposterous contents that grossly distort the truth?

Expressing resentment at the unreasonable behaviour of the United Nations, which adopted the self-opinionated "resolution" without a single visit to the country concerned while interfering in the internal affairs of the dignified sovereign State at the instigation of the forces hostile towards it, being bereft of the decency appropriate to an authoritative international organization, we send it the following questionnaire:

1. Does the United Nations know about the eye-opening realities in the DPRK, in which the ordinary working masses, as masters of society, are exercising genuine political rights, the basic criterion of human rights?

The basic criterion of human rights is the political rights.

The rights of a man, a social being, are expressed most clearly in his political life.

In the DPRK, all people, in equal status, participate in State politics, including election to the power organs, and are realizing their ideals and wishes by enrolling themselves in the political parties and social organizations according to their opinions and demands.

That the ordinary workers, farmers and working intellectuals discuss political affairs of the State as deputies to the Supreme People's Assembly and conduct the sociopolitical activities freely according to their abilities is a universal and everyday scene in DPRK society.

This dreamlike scene is beyond imagination in the US and other capitalist countries, in which money has become an absolute condition for participation in politics and one cannot enjoy even the elementary political rights if one is penniless.

The United Nations must throw away the cloak covering the US, a "model of human rights" and a "free world", and see its true features.

Once an American author, in his book *Running for Governor*, branded the candidates as "thieves", "robbers", "swindlers", "stewbums" and "frauds". An election funds investigation centre lamented that "the presidential candidates are similar possibly to bank robbers".

The Central People's Radio of China, criticizing the melee in the recent presidential election in the US, exposed that this year's election cost over $6 billion, while the previous election cost $2 billion.

It is reported that $2 million is needed to be elected a US senator and $10 million to be re-elected.

As a result, while a handful of persons, propertied and privileged, hold sway over State administration, and State policies represent their interests only, the absolute majority of the ordinary people, suffering from rightlessness and poverty, cannot exercise even elementary political rights and are neglected by society as basket cases.

As these phenomena can be witnessed in downtown New York, where the United Nations Headquarters is situated, the United Nations may know about them better than others. But since it keeps its mouth shut tightly over these stark realities and is picking a quarrel with the situation of human rights in the DPRK, to which it has never paid a visit, we cannot but ask whether this is "international justice for human rights" pursued by the United Nations.

With dignity and pride, we say to the whole world: there is no better country in the world than ours, where the genuine political rights of the working masses are in full bloom.

If the United Nations is truly concerned about human rights, it would be proper behaviour for it to draw its attention to the realities in the DPRK, praise it and encourage other countries to follow its example.

However, by shutting its eyes to the shining realities in the DPRK and passing a preposterous "resolution", claiming "terror politics" and "suppression of people

for political reasons" by cobbling together a stream of invective, the United Nations has tarnished its own image. To see that the stream of invective was spit out to eke out a living by the scum of the earth, who ran away to such a stenchy society as south Korea after committing unexpiated crimes against their motherland and fellow people, how shameful it is!

We take this opportunity to clarify once again the human rights in the DPRK reliably guaranteed by the people's democratic dictatorship.

Dealing strictly according to law with the hostile elements in and out who have violated the rights of the working masses, those who have committed evil acts overtly and covertly to overthrow the base of people's life, the criminals of violence who have undermined social stability and other enemies of the people is a perfectly lawful activity to safeguard the people.

If showing mercy even to those who have betrayed their motherland and challenged its system is "guaranteeing" human rights, then the US, before any other country, must set free all the countless inmates in its prisons and other detention centres.

The United Nations must be fully aware that distorting with a malicious mind the true human rights situation in the DPRK and making a false charge against it, claiming "tyranny" and "human rights violation", is itself an extremely atrocious crime of violating the rights of all the people of the dignified sovereign State.

2. Does the United Nations know about the reality of the DPRK, in which the interests of the people are prioritized and everything is concentrated on improving the people's living standards despite the persistent sanctions and pressure by the US and other hostile forces?

In the recent "resolution on the situation of human rights in the DPRK", the United Nations, to justify the unfair resolution, claimed that the DPRK is developing only nuclear weapons and missiles in disregard of the people's living, adding its "grave concern".

We cannot but feel aghast at the narrow and fuzzy view of the United Nations, allegedly the most dignified international organization.

It is a consistent policy of the DPRK to attach the greatest importance to the people's livelihoods, improve their material and cultural standards of living and provide them with a happier life.

We do not feel the need to enumerate all the legendary tales, born of the policy of prioritizing, respecting and loving the people.

An example should suffice to prove the realities of the DPRK: this year, new streets and villages of the socialist style sprang up in a matter of two months in the northern part of the country, which had been swept by an unprecedented natural disaster.

To build these streets and villages in the devastated five counties and one city in the northern tip within a short period in the face of the vicious sanctions and blockade by the US and other hostile forces was an uphill task no one could dare to set about with ordinary courage.

However, it was the intention of the supreme leader Kim Jong Un that the people's interests should be put above all national affairs and that the people in the damaged areas should be made not to feel difficulties even though it would cost the whole wealth of the country. Responding to his call, all the service personnel and people performed a miracle of turning the misfortune into a blessing in the breath-catching speed in the Mallima era.

This can never be imitated or dreamed about in the money-is-almighty capitalist society.

Whenever they are reminded of the disastrous sinking of the *Sewol*, which claimed hundreds of young lives, the south Korean people wake up in a fright even at midnight and weep. These two events clearly testify the totally different human rights situations in the north and south of Korea.

When the children were crying out so eagerly for help in the cold sea, nobody tried to save them from drowning. At that time, the south Korean President, Park Geun Hye, was suspected to have been put under anaesthesia for seven hours in order to remove the wrinkles on her face. As the suspicion turned out to be a fact, the world was struck with astonishment.

As such cold-blooded ones are in power, various calamities like MERS and Zika virus continuously happen in south Korea and the people express their worries: only evil news is waiting for us every day, which is the safe area in this land?

It is outrageous that perpetrators of human rights violations, who deserve to be punished by Heaven, say something like the "human rights issue" in the DPRK, which has developed into a grand flower garden of human rights under benevolent care, and it is an international disgrace that the United Nations is keeping step with the puppet clique by relaying their filthy grumbles.

The DPRK is strengthening its nuclear forces qualitatively and quantitatively to defend the base of people's happiness built at the cost of their blood and sweat and their true rights.

The Korean nation was subjected to colonial slavery by an insular country for 40 years in the last century as they did not have military forces with which to defend themselves. This tragedy still remains as a bitter experience in their hearts.

Worse still, the US is eagerly watching for a chance for a pre-emptive nuclear strike against the DPRK to realize its ambition for supremacy in north-east Asia, and the pro-Japanese lackeys in south Korea, who faithfully served for the Japanese, and their descendants transformed themselves into pro-US lackeys and are acting recklessly to invade the DPRK. In the face of this reality, it is too natural for the DPRK to strengthen its self-defence capability of justice, including nuclear weapons, in order to defend the destiny of the country and nation and genuine rights of its people, and no one can pick a quarrel with this.

Had the DPRK not possessed nuclear deterrent, a nuclear war would have already broken out on the Korean peninsula, the right of the Korean nation to existence would have been eliminated and a third world war might have broken out as a chain reaction. Can the United Nations deny this fact?

The United Nations must be attentive to the declaration of the Workers' Party of Korea that the various kinds of nuclear warheads, small, light and diversified, and the ballistic missiles with a high level of striking capability, born of its line of promoting economic construction and building up the nuclear forces in parallel, are needed also to defend the precious people and acquire a fresh understanding of the genuine human rights.

3. Does the United Nations know about the reality of the DPRK, which substantially guarantees and provides the genuine human rights, including the right to education, the right to health and the right to work?

It is a consistent policy of the DPRK Government to protect and steadily promote the rights of the masses of the people on its own responsibility.

All the people in the DPRK enjoy the benefits of the advantageous people-oriented policies, including comprehensive free medical care and universal free education, to their heart's content and exercise their genuine rights in all realms of social life.

Administration and policies pursued by the DPRK would be the best in the world in the aspect of ensuring the right to education.

Decades ago, the DPRK enforced a universal free compulsory education system, the best educational system in the world, commanding the world's admiration as a country of learning. Today, it has advanced the slogan of making all its people well-versed in science and technology and is training all the members of society, including workers and farmers, as intelligent workers with university-standard qualifications, as developers of science and technology.

By putting forward education as a patriotic undertaking of everlasting significance for the prosperity of the country and nation, the DPRK enforced universal 12-year compulsory education, a new, higher stage of general secondary education, even though everything is in short supply, and everyone learns modern science and technology through the distance education system. Witnessing this surprising reality, many foreigners expressed their admiration, saying: "The DPRK is rushing towards the status of a civilized socialist country on the basis of its advanced education system".

This is beyond imagination in capitalist countries, where education, which is sacred, has long ago been turned into marketing and the ennobling campus into a means of making money, and in the corrupt south Korea, where every privilege is provided to the sons and daughters of the rich and the powerful by establishing a special course to enrol them.

In the DPRK, people are free from worries about medical treatment and work and lead a happy life in good health, enjoying the benefits of universal free medical service.

People with an objective concept of the DPRK would recognize that only this country established long ago a people-oriented health system, exercising free medical service and the policy on preventive medicine.

Hospitals and clinics with full medical facilities for the health and well-being of the people are established in every ri, county, city and province, all the hospital

staff donate their blood, flesh and bone unhesitatingly for patients, and medical workers visit households on their beat.

In recent years, specialized hospitals, sanatoriums and holiday camps, fully equipped with state-of-the-art medical facilities, have been built in every part of the country, including the Okryu Children's Hospital, Ryugyong General Ophthalmic Hospital and Ryugyong Dental Hospital, thus contributing to the promotion of ordinary people's health.

How can these realities be compared to the ghastly and cruel ones in the capitalist world, where the precious life of human beings is decided by money?

In the US, normal hospital charges are $5,760, general blood test fee $150, experimental test fee over $170, ultrasound test fee $557 and biological structure test fee $223.

In south Korea, one round of comprehensive medical check-up costs $100-400 and the hospital charge for a day is $100-300 in Seoul. As a result, 20 per cent of the total households could not even think of going to hospital.

We advise you, riff-raff, who are too obsessed with the "human rights issue" of the DPRK: if you feel too shameful to visit the country because of the crime you have committed, have a talk with those who visited it and witnessed the dreamlike scene presented by the free medical care system.

Then you will feel unable to resist the impulse to commit suicide because of the hatred for yourselves for insulting the shining paradise as a hell until now.

The US and other hostile forces are now contriving other impure rackets like "forced labour" and "exploitation of the workers abroad" as the true colour of the "human rights in the DPRK" racket is uncovered in detail by the eye-opening events in the DPRK in which an epoch-making change is taking place day after day.

In this country, there is no sign of the unemployed that number 12.8 million roaming the streets of the US, and it is unimaginable to find workers grieving over the sorrow of part-time jobs and holding demonstrations and rallies in protest against the anti-popular policies like poor working conditions, forced dismissal and wage reduction, like those in south Korea.

The working people in the DPRK are leading a worthwhile and happy working life, enjoying the right to work to their heart's content and devoting their creative enthusiasm to the full under the most advantageous labour system.

Its workers abroad, with the dignity of making a contribution to the prosperity of their motherland, are also leading an abundant life and receiving enough rewards without feeling an iota of worry over their families back in their motherland.

If you want to learn why the singing and laughter of the parentless children resound and why the elderly with no children of their own live in happiness and comfort in this land, it would be advisable to visit the baby homes, orphanages, primary and secondary schools for orphans and rest homes, upon which solicitude of every kind is bestowed.

The bustling streets in capitalist countries, in which the life of luxury and dissipation of the privileged class of 1 per cent are intertwined under the

glimmering neon lights, whereas the working people of 99 per cent, who are living under the poverty line, are left in the darkness, cannot be a symbol or a criterion of human rights.

You must know that the Korean-style socialist system centred on the masses is the ideal land for humanity and earthly paradise which cannot be compared to the benevolence proposed by Jesus Christ which the West so praises, equality by Muhammad, mercy by Sakyamuni and benign administration by Confucius all combined.

4. Does the United Nations know that daring to hurt and slander the supreme dignity of the DPRK is an unpardonable, A-class provocation against all its service personnel and people and it would invite their merciless retaliation and punishment?

This country and this land are getting heated as a whole.

No one can predict when and where the wrath of this country would burst out against the dens of evil.

All the service personnel and people are boiling with rage against the open rashness by the impure, hostile forces, who attempted to deny the feeling of kinship between the leader and the people, who share their destiny, and separate them by taking issue even with the supreme dignity of the country.

The forces who run amok for hostile acts against the DPRK must clearly know the sacredness of the supreme dignity of the DPRK, which its service personnel and people treasure as more valuable than their lives.

The supreme leadership of the country represents the life, destiny and future of its service personnel and people and the sun at which no one can dare to point his finger.

The supreme leader, with the fervent love for the people which cannot be found in the long human history, is making selfless, devoted efforts day and night solely for the happiness of his people, and the latter regard him as their father and wish for his well-being even though they suffer misfortunes in the face of sweeping disaster and are burned to ashes in the raging flames. The United Nations must not misjudge the loyalty of the service personnel and people of this country.

No matter how infected the US-led United Nations is with arbitrariness, self-complacence and invective and no matter how inveterate its prejudice, narrow-mindedness and partiality are, it must be aware that the DPRK is not a country in the Middle East or Africa.

The DPRK is mocking the railroading of the "human rights resolution", devoid of fairness and trustworthiness, as the last-ditch effort of the US, emperor of evil, and its vassal forces that are overpowered by the might of Songun Korea, shining as a nuclear power in the East and a paradise of the people.

If the US and its vassal forces are really concerned with the "human rights issue" in the DPRK, they should not try to seek an excuse for unleashing a nuclear war by using the numerous spy satellites floating over the Korean peninsula, but confirm the remarkable realities of the country, an ideal society of humankind.

We advise any member of the United Nations to come to the DPRK and experience in person the real human rights situation in the country, if they sincerely love justice and truth.

If they have even the slightest degree of intelligence or cool-headed judgment, they will keenly realize for themselves how shameful they have been to have railroaded the "resolution" against the DPRK, a model country of genuine human rights, clamouring for "tyranny" and "human rights violation".

They must do away with their foolish attempts to sling mud at the DPRK by relying on the fabricated facts.

If the United Nations is sincere to maintain its existence and raison d'être as an impartial international organization, it must not be reduced to an instrument in carrying out the gangster-like, hostile schemes towards the DPRK committed by the US and its vassal forces under the guise of the "protection" of human rights, but revoke all the unreasonable measures it has taken so far.

The United Nations would be well-advised not to waste time beating the worn-out drum of "human rights issue in the DPRK", but act with discretion, looking squarely at the changed strategic position of the DPRK and the changing trend of the times.

The United Nations must not evade this open questionnaire.

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